

**Jones, William V., EMNRD**

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**From:** Pronmene@aol.com  
**Sent:** Thursday, January 31, 2008 11:17 AM  
**To:** tkellahin@comcast.net  
**Cc:** Jones, William V., EMNRD  
**Subject:** Re: FW: Case 14019 PRO NM Inc. Compulsory Pooling

Tom and Will, please see below for the answers to your questions:

Hello Tom:

This case was not contested and you presented it by affidavit from PRO NM's manager Jolene Hicks? Correct, Jolene Dicks.

I prepared the draft and after talking to David Brooks about it, we decided to ask you for clarification on a couple of points:

1) The Affidavit says \$3,000 drilling rate for COPUS, but reading the transcript, you said use \$4,000 - should we just use \$3,000 drilling and \$600 producing?

\$3,000. drilling, \$600 producing (Tom may have misspoken, or reporter error?)

2) Allocating Costs: A Sundry will be submitted, which will state that, upon further evaluation, Pro has determined not to complete the Sand, but only to complete the Coal. In any event, ownership is the same, and costs of drilling and completion will be allocated according to ownership. The wells are being completed now.

Drilling Costs: will these be paid 100% by the Coal owners or split equally between owners of the Sand and the Coals?

Completion Costs: to be paid by the owners in the Pool being completed, is this OK or what was intended?

The confusion about what costs and how much costs are being Pooled comes after the letters proposed to the owners show AFE's without drilling items in the costs - and the costs are low. Also both Sands and Coal COM agreements were proposed.

Both wells have been drilled and pipe set and cemented, but not any completion work that I know of. Apparently Chevron is the only party being pooled and it only owns the W/2 SE/4 (80-acres) of Section 18 which would be included in any E/2 of Section 18 Fruitland Coal gas spacing unit and in any SE/4 of Section 18, South Gallegos Fruitland Sand PC Gas Pool spacing unit. The sands and the coals are basically at the same depth. The letters in the exhibits presented as sent to Chevron mention that the costs would be split between the owners of both pools.

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