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AND IS LOCATED
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BEFORE EXAMINER CATANACH
OIL CONSERVATION DIVISION

EXHIBIT NO. 6

CASE NO. 11280

Dalen Resources
Murchison State 2 #1
RFLM 05026

SUMMARY OF PVT DATA

Reported Reservoir Conditions

Average Reservoir Pressure	2453	psig
Average Reservoir Temperature	100	°F

Pressure-Volume Relations

Saturation Pressure	2453	psig
Avg Single-Phase Compressibility	12.10	E-6 vV/psi (5000 to 2453 psig)
Thermal Exp @ 5000 psig	1.02672	V at 100 °F / V at 60 °F

Differential Vaporization Data
(at 2453 psig and 100 °F)

Solution Gas/Oil Ratio	1,061	scf / bbl of residual oil at 60 °F
Relative Oil Volume	1.510	bbl / bbl of residual oil at 60 °F
Density of Reservoir Fluid	0.6689	gn/cc

Reservoir Fluid Viscosity

0.365 cp at 2453 psig and 100 °F

Separator Test Results

Separator Conditions		Formation Volume Factor (A)	Total Solution Gas/Oil Ratio (B)	Tank Oil Gravity (°API at 60 °F)
psig	°F			
250	70	1.499	1,051	45.5 <i>Black Oil</i>

(A) Barrels of saturated oil per barrel of stock tank oil at 60 °F.

(B) Total standard cubic feet of gas per barrel of stock tank oil at 60 °F.

Dalen Resources
 Murchison State 2 #1
 RFLM 95026

BEFORE EXAMINER CATANACH
OIL CONSERVATION DIVISION

EXHIBIT NO. # 7

CASE NO. 11280

COMPOSITION OF PRIMARY STAGE SEPARATOR GAS
 (by Programmed-Temperature, Capillary Chromatography)

Component	Mol %	Plant Products (GPM)	Liquid Density (gm/cc)	MW
Hydrogen Sulfide	0.00			
Carbon Dioxide	0.30		0.8172	44.010
Nitrogen	3.38		0.8086	28.013
Methane	77.79		0.2997	16.043
Ethane	9.87	2.690	0.3582	30.070
Propane	4.44	1.247	0.5070	44.097
Iso-Butane	0.74	0.247	0.5629	58.123
n-Butane	1.52	0.488	0.5840	58.123
Iso-Pentane	0.70	0.261	0.6244	72.150
n-Pentane	0.72	0.266	0.6311	72.150
Hexanes	0.34	0.135	0.6850	84.0
Heptanes	0.16	0.069	0.7220	96.0
Octanes	0.01	0.005	0.7450	107
Nonanes	0.03	0.015	0.7640	121
Totals	100.00	5.423		

SAMPLING CONDITIONS

250 psig
 68 °F

Average Sample Properties

Critical Pressure, psia 657.0
 Critical Temperature, °R 393.3
 Average Molecular Weight 21.31
 Calculated Gas Gravity (air = 1.000) 0.736

at 15.025 psia and 60 °F

Properties of Plus Fractions

Component	Mol %	Liquid Density (gm/cc)	Liquid API Gravity	MW
Heptanes plus	0.20	0.7305	62.0	100.3

Heating Value, Btu/acf dry gas*
 Gross 1229
 Net 1114
 Heating Value, Btu/Cubic Feet wet gas*
 Gross 1208
 Net 1094
 Wobbe Index, Btu/Cubic Feet dry gas
 Gross 1433

*more indicators
 gas separator gas*

Note: Component properties assigned from literature.
 * ref: Gas Producers & Suppliers Association (GPSA) Engineering Data Book

EXHIBIT

PRODUCED GAS ANALYSES COMPARISON

Operator Lease Field	Ray Westall Santa Fe Fed. No. 1 E. Herradura	DALEN Resources Murchison St. 2 No. 1 White City	Bird Creek Resources RGA No. 1 E. Loving	Ray Westall Myrtle Myra No. 2 LaHuerta
Heating Value BTU/MCF	1,167	1,208	1,571	1,431
Liquid Content.GPM				
Ethane	2.636	2.69	7.098	4.985
Propane	1.375	1.247	4.388	3.069
ISO Butane	0.177	0.247	0.461	0.485
Normal Butane	0.436	0.488	0.981	1.019
ISO Pentane	0.384	0.261	0.18	0.346
Normal Pentane	---	0.266	0.172	0.335
Hexanes Plus	---	0.224	0.176	0.398
	5.008	5.423	13.456	10.637

BEFORE EXAMINER CATANACH
 CONSERVATION DIVISION
 EXHIBIT NO. 8
 NO. 08211

*Exhibit
Santa Fe Federal Lease - 8 Wells*

Calculated
Oil
Gas
Water - - - -

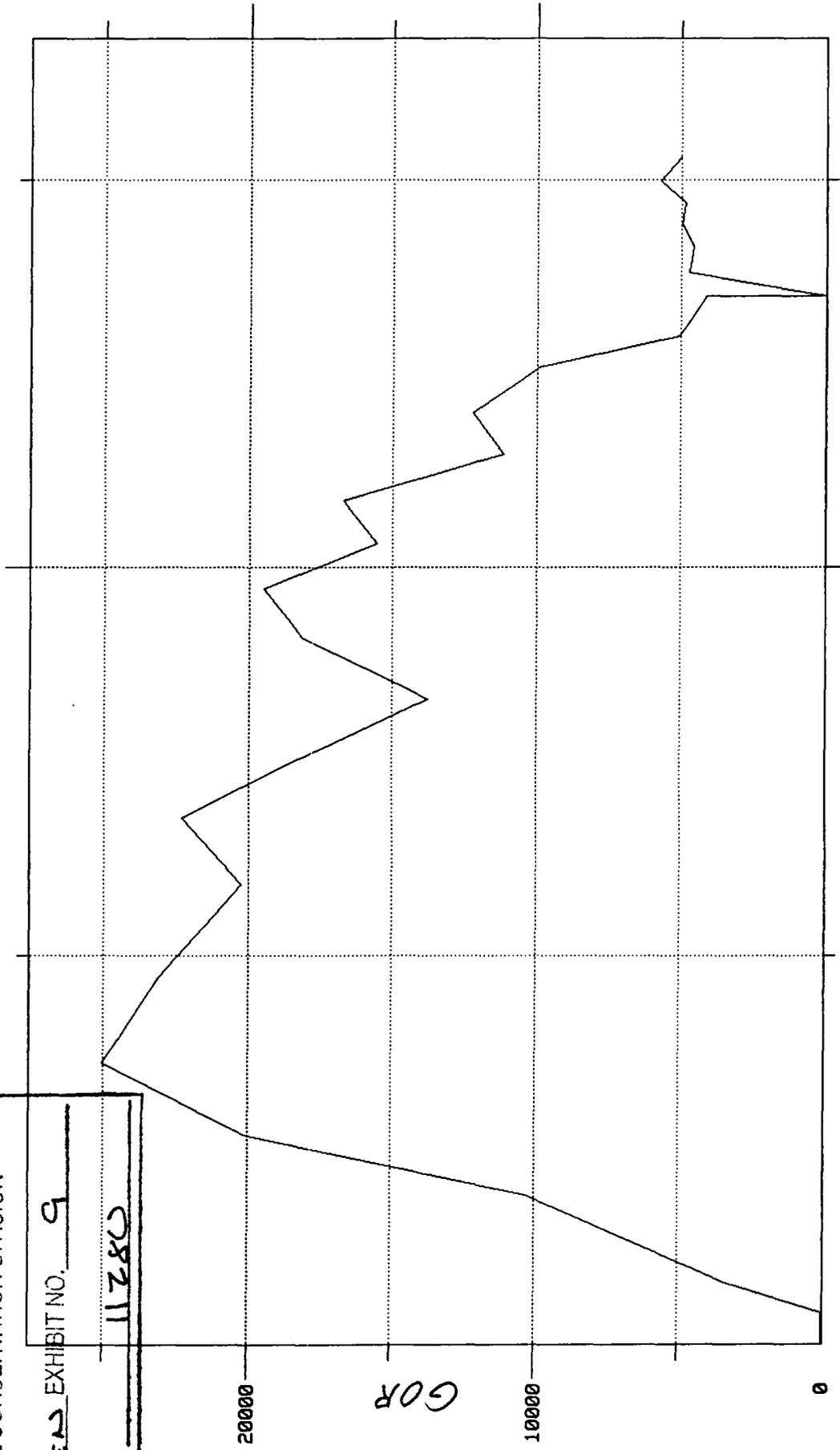
TEMP
GOR vs Oil Cumulative
Cf/BB1 vs BB1s
TEMP.raw111
For the Period 00/0000 to 00/0000

Production
Oil
Gas
Water

BEFORE EXAMINER CATANACH
OIL CONSERVATION DIVISION

DALE'S EXHIBIT NO. 9
CASE NO. 11780

Herradura Bend, E. Brushy Canyon Field



0 100000
Reported Oil Production = 152928 Bbls
Reported Gas Production = 2225621 Mcf
Reported Water Production = 386424 Bbls

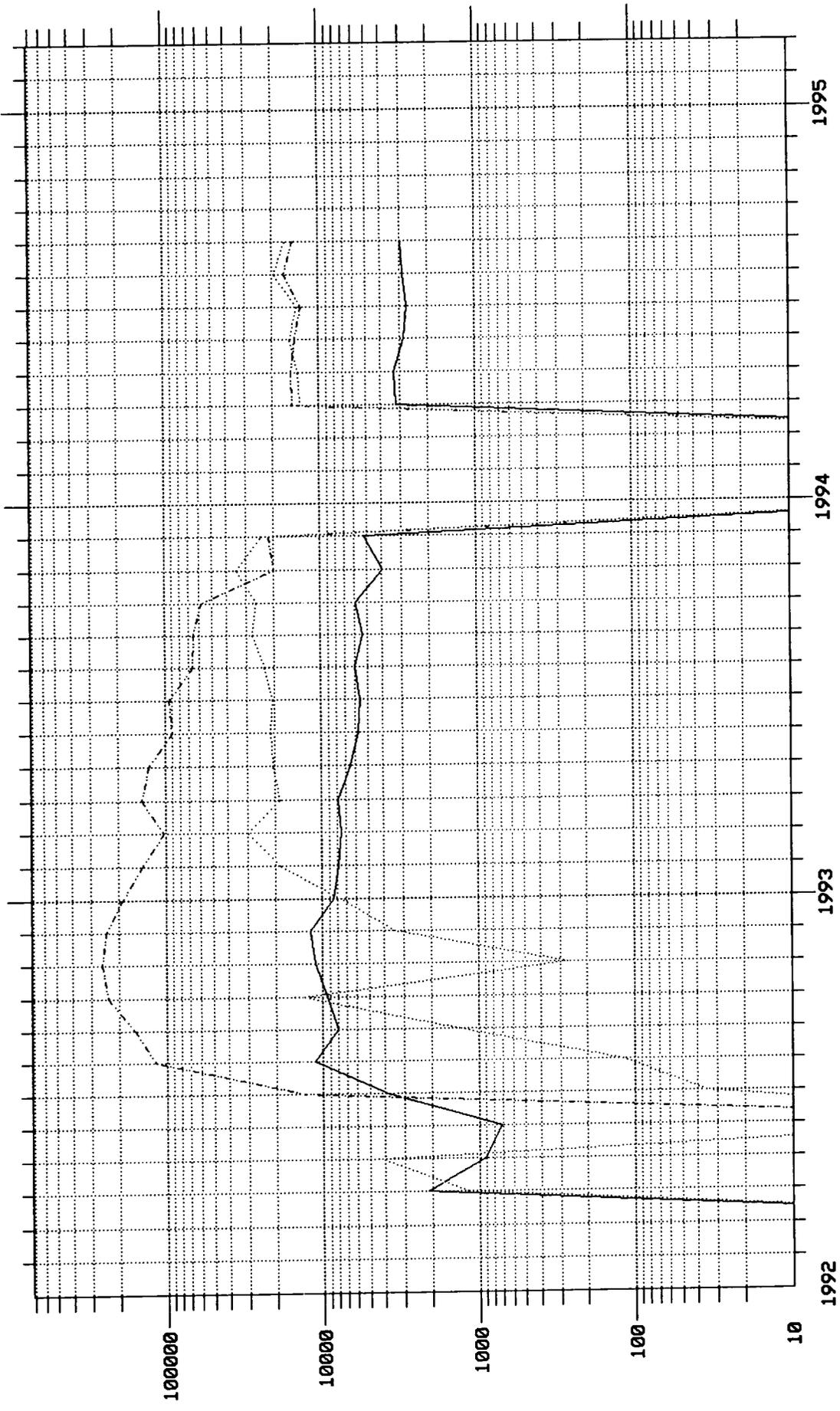
*Exhibit
Santa Fe Federal Lease - 8 Wells*

Calculated
Oil
Gas
Water - - - -

TEMP
Production Rate vs Time
Bbl/Mo or Mcf/Mo vs Months
TEMP.raw11
For the Period 00/0000 to 00/0000

Herradura Bend, E. Brushy Canyon Field

Production
Oil
Gas
Water



Reported Oil Production = 152928 Bbls
Reported Gas Production = 2225621 Mcf
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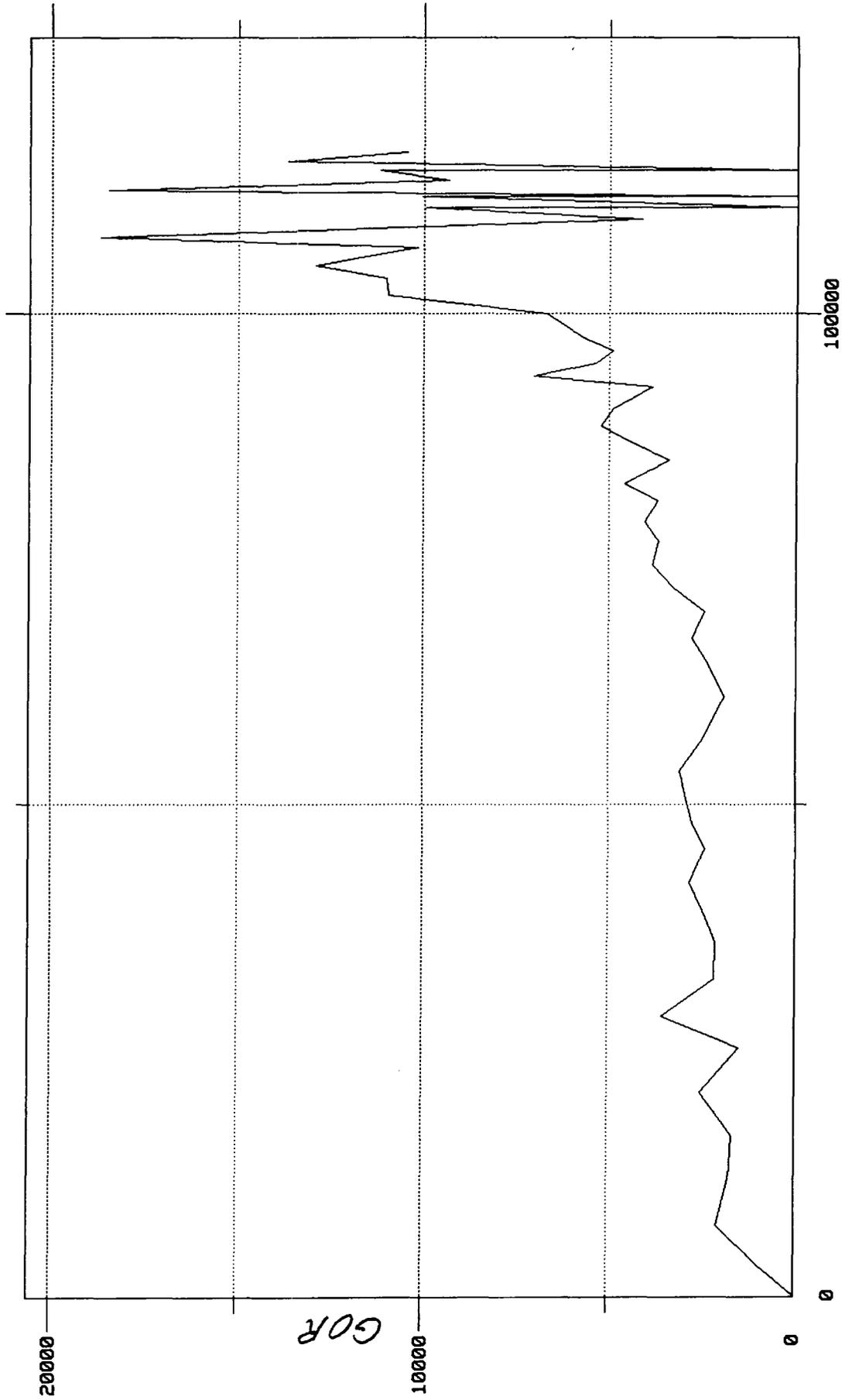
Exhibit

Calculated
Oil
Gas
Water - - - -

TEMP
GOR vs Oil Cumulative
Cf/BB1 vs BB1s
CULEBRA BLUFF UNIT (SOI2IRB OPERATING COMP
For the Period 08/1990 to 11/1994

Loving Brushy Canyon Field

Production
Oil
Gas
Water



Reported Oil Production = 116433 Bbls
Reported Gas Production = 471892 Mcf
Reported Water Production = 44155 Bbls

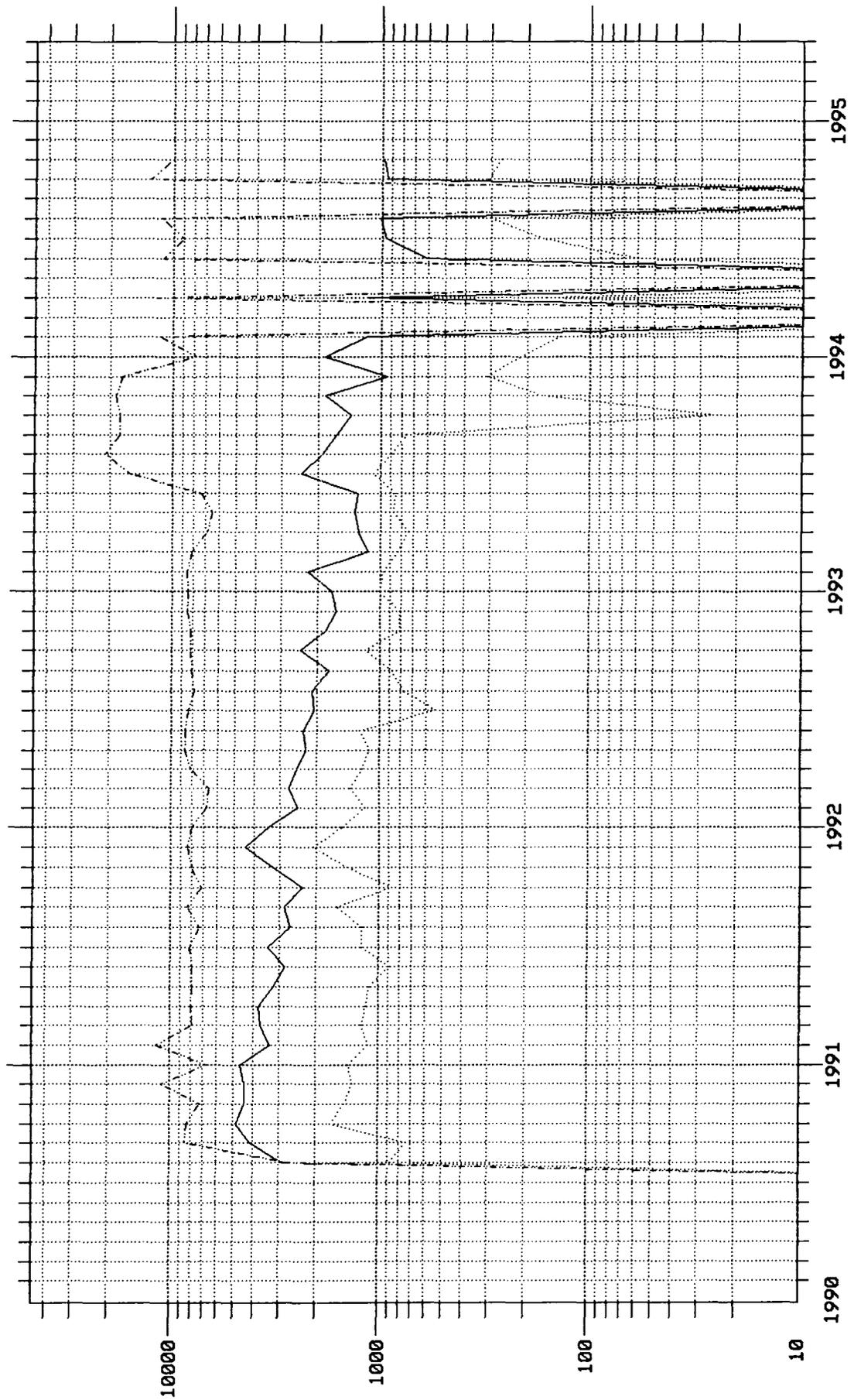
Exhibit

Calculated
Oil
Gas
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TEMP
Production Rate vs Time
Bbl/Mo or Mcf/Mo vs Months
CULEBRA BLUFF UNIT (SOI2IRB OPERATING COMP
For the Period 08/1990 to 11/1994

Loving Brushy Canyon Field

Production
Oil
Gas
Water



Reported Oil Production = 116433 Bbls
Reported Gas Production = 471892 Mcf
Reported Water Production = 44155 Bbls

Exhibit 10
Eddy County Brushy Canyon Fields
GOR Performance Comparison

Loving Nash Draw Herradura Bend, E.

First Production	1990	1993	1992
Cumulative GOR, Scf/Bbl.	4525	2980	7870
1994 Annual GOR, Scf/Bbl.	10925	3940	5600

*Typical
 1000 Scf/Bbl
 1000 Draw
 1000*

*Brushy Canyon
 1000 Scf/Bbl
 1000 Draw
 1000*

Ex # 10

MURCHISON NO. 1: INITIAL PRODUCTION

DATE	OIL (BBL)	WATER (BBL)	GAS (MCF)	GOR (SCF/BO)	FTP (PSIG)	HOURS	CHOKE (/64)
3/17/95							
3/18/95	150	0	360	2,400	1,250	17	17
3/19/95	98	52	625	6,378	1,200	24	18
3/20/95	253	250	625	2,470	1,200	24	18
3/21/95	254	264	1,250	4,921	1,150	24	18
3/22/95	99	8	541	5,465	1,375	23	14
3/23/95	73	3	498	6,822	1,325	24	14
3/24/95	129	101	640	4,961	1,140	24	15
3/25/95	114	80	526	4,614	1,500	24	14
3/26/95	101	73	526	5,208	1,500	24	14
3/27/95	120	93	623	5,192	1,400	24	15
3/28/95	172	201	985	5,727	1,185	24	16
3/29/95	115	70	645	5,609	1,350	24	16
3/30/95	101	67	526	5,208	1,425	24	15
3/31/95	98	75	645	6,582	1,340	24	15
4/1/95	65	84	666	10,246	1,320	24	15
4/2/95	101	61	623	6,168	1,310	24	15
4/3/95	103	103	686	6,660	1,340	24	15
4/4/95	61	62	111	1,820			
4/5/95							
4/6/95							
4/7/95							
4/8/95							
4/9/95							
4/10/95							
4/11/95							
4/12/95							
4/13/95							
4/14/95	69	200	750	10,870	1,400	16	14
4/15/95	165	268	1,057	6,406	1,150	24	16
4/16/95	135	140	1,026	7,600	1,026	24	16
4/17/95	107	101	840	7,850	1,260	24	17
4/18/95	179	267	1,307	7,302	1,225	24	17
4/19/95	191	306	1,503	7,869	1,150	24	17
4/20/95	154	197	1,341	8,708	1,110	24	17
4/21/95	137	215	1,335	9,745	1,110	24	17
4/22/95	154	220	1,370	8,896	1,125	24	17
4/23/95	140	186	1,338	9,557	1,125	24	17
4/24/95	141	193	1,368	9,702	1,125	24	17
4/25/95	142	207	1,412	9,944	1,120	24	17
4/26/95	6	6	203	33,833	1,660	24	8
4/27/95	0	0	213		1,700	24	9
4/28/95	109	98	1,114	10,220	1,200	24	15
4/29/95	187	372	1,458	7,797	980	24	16
4/30/95	215	490	1,816	8,447	800	24	16
5/1/95							

STATE EXAMINER CATANACH
 CONSERVATION DIVISION

EXHIBIT NO. 11

CASE NO. 11280

Exhibit

**White City (Brushy Canyon) Field
Comparative Drilling Economics**

	<u>Case 1</u>	<u>Case 2</u>	<u>Case 3*</u>
Oil Allowable, BOPD	107	107	250
Oil Rate, BOPD	3	107	250
GOR Limit, Scf/Bbl.	2,000	10,000	10,000
Well Payout, Mos.	72	10	7
Well Life, Yrs.	21	5	9
Oil Reserves, MBbls	80	80	175

*Note: Additional pay sands perfered to prevent drainage from
offset operator wells.

BEFORE EXAMINER CATANACH
OIL CONSERVATION DIVISION

EXHIBIT NO. 12

CASE NO. _____

BEFORE THE
OIL CONSERVATION DIVISION
NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS

IN THE MATTER OF THE APPLICATION OF
DALEN RESOURCES OIL & GAS COMPANY FOR
POOL CREATION AND SPECIAL POOL RULES
EDDY COUNTY, NEW MEXICO

CASE NO. 11280

AFFIDAVIT

STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

J. SCOTT HALL, attorney in fact and authorized representative of Dalen Resources Oil and Gas Company, the Applicant herein, being first duly sworn, uponoath, states that the notice provisions of Rule 1207 of the New Mexico Oil Conservtion Division have been complied with, that Applicant has caused to be conducted a good faith, diligent effort to find the correct addresses of all interested persons entitled to receive notice, as shown by Exhibit "A" attached hereto, and that pursuant to Rule 1207, notice has been given by certified mail at the correct addresses provided by such rule.



J. SCOTT HALL

SUBSCRIBED AND SWORN to before me this 4th day of May, 1995, by J. Scott Hall.



Notary Public

My Commission Expires:

Oct 28, 1997

EXHIBIT NO. 13

MILLER, STRATVERT, TORGERSON & SCHLENKER, P.A.
LAW OFFICES

RANNE B. MILLER
ALAN C. TORGERSON
KENDALL O. SCHLENKER
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GREGORY W. CHASE
ALAN KONRAD
MARGO J. MCCORMICK
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ROBIN A. GOBLE
*ADMITTED IN CALIFORNIA ONLY

ALBUQUERQUE, N.M.
500 MARQUETTE N.W., SUITE 1100
POST OFFICE BOX 25687
ALBUQUERQUE, N.M. 87125
TELEPHONE: (505) 842-1950
FAX: (505) 243-4408

LAS CRUCES, N.M.
277 EAST AMADOR
POST OFFICE BOX 1209
LAS CRUCES, N.M. 88004
TELEPHONE: (505) 523-2481
FAX: (505) 526-2215

FARMINGTON, N.M.
300 WEST ARRINGTON
POST OFFICE BOX 869
FARMINGTON, N.M. 87499
TELEPHONE: (505) 326-4521
FAX: (505) 325-5474

SANTA FE, N.M.
125 LINCOLN AVE., SUITE 221
POST OFFICE BOX 1986
SANTA FE, N.M. 87504-1986
TELEPHONE: (505) 989-9614
FAX: (505) 989-9857

April 3, 1995

WILLIAM K. STRATVERT, COUNSEL
PAUL W. ROBINSON, COUNSEL

PLEASE REPLY TO SANTA FE

Unit Production Company
7130 Lewis
1000 Galleria Tower
Tulsa, Oklahoma 74136

**VIA CERTIFIED
RETURN RECEIPT REQUESTED**

Re: Application of Dalen Resources Oil and Gas Company for Pool Creation and Special Pool Rules, Eddy County, New Mexico

Dear Sir or Madam:

This will advise that Dalen Resources Oil and Gas Company has filed an application with the New Mexico Oil Conservation Division seeking the creation of a new pool and for special pool rules for production of oil and gas from the Delaware formation from Dalen's Murchison State 2 No. 1 well located in the SE/NE of Section 2, Township 25 South, Range 26 East, NMPM, Eddy County New Mexico. A copy of Dalen's Application to the NMOCDD is enclosed.

This application has been set for hearing before a Division Examiner on May 4, 1995 at the New Mexico Oil Conservation Division in Santa Fe. You are not required to attend this hearing, but as an operator of a well or owner of an unleased mineral interest within the pool, or as an operator of a well within one mile of the boundaries of the above-referenced lands, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Very truly yours,

MILLER, STRATVERT, TORGERSON
& SCHLENKER, P.A.



J. Scott Hall
ATTORNEY FOR DALEN RESOURCES
OIL & GAS COMPANY

JSH/mg

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 (Extra charge)

3. Article Addressed to: Unit Production Co. 7130 Lewis, 100 Galleria Tower Tulsa, Oklahoma 74136 <i>A. Kitchen</i>	4. Article Number P 561 862 195
5. Signature - Addressee X	Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input checked="" type="checkbox"/> Return Receipt for Merchandise
6. Signature - Agent X	Always obtain signature of addressee or agent and DATE DELIVERED.
7. Date of Delivery 4-6-95	8. Addressee's Address (ONLY if requested and fee paid)

PS Form 3811, Apr. 1989

* U.S.G.P.O. 1989-238-815

DOMESTIC RETURN RECEIPT

PS Form 3800, June 1985

U.S.G.P.O. 1989-234-555

Sept. 10 th	Unit Production Co.
Street and No.	100 Galleria Tower, 7130 Lewis
P.O., State and ZIP Code	Tulsa, Oklahoma 74136
Postage	\$.32
Certified Fee	1.10
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	1.10
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$ 2.52
Postmark or Date	

RECEIPT FOR CERTIFIED MAIL
 NO INSURANCE COVERAGE PROVIDED
 NOT FOR INTERNATIONAL MAIL
 (See Reverse)

P 561 862 195

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April 3, 1995

WILLIAM K. STRATVERT, COUNSEL
PAUL W. ROBINSON, COUNSEL

PLEASE REPLY TO SANTA FE

Murchison Oil & Gas Company
1445 Ross Avenue, Suite 5300, LB 152
Dallas, Texas 75202-2883

**VIA CERTIFIED
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Re: Application of Dalen Resources Oil and Gas Company for Pool Creation and Special Pool Rules, Eddy County, New Mexico

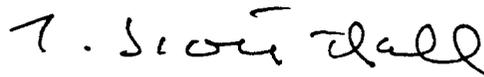
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JSH/mg

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1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery (Extra charge)

3. Article Addressed to: Murchison Oil & Gas Co. 1445 Ross Avenue, Suite 5300, LB 152 Dallas, Texas 75202-2883		4. Article Number P561 862 192	
		Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input checked="" type="checkbox"/> Return Receipt for Merchandise	
5. Signature — Addressee X		Always obtain signature of addressee or agent and DATE DELIVERED.	
6. Signature — Agent X		8. Addressee's Address (ONLY if requested and fee paid)	
7. Date of Delivery APR 5 1995 R. White			

PS Form 3800, June 1985

U.S.G.P.O. 1989-234-555

Postage	\$.32
Certified Fee	1.10
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Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	1.10
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$ 2.52
Postmark or Date	

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 NO INSURANCE COVERAGE PROVIDED
 NOT FOR INTERNATIONAL MAIL
 (See Reverse)

P 561 862 192

Sent to
 Street and No.
 1445 Ross Ave, Suite 5300 LB 152
 P.O. Station and ZIP Code
 Dallas, Texas 75202-2883

MILLER, STRATVERT, TORGERSON & SCHLENKER, P.A.
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POST OFFICE BOX 25687
ALBUQUERQUE, N.M. 87125
TELEPHONE: (505) 842-1950
FAX: (505) 243-4408

LAS CRUCES, N.M.
277 EAST AMADOR
POST OFFICE BOX 1209
LAS CRUCES, N.M. 88004
TELEPHONE: (505) 523-2481
FAX: (505) 526-2215

FARMINGTON, N.M.
300 WEST ARRINGTON
POST OFFICE BOX 869
FARMINGTON, N.M. 87499
TELEPHONE: (505) 326-4521
FAX: (505) 325-5474

SANTA FE, N.M.
125 LINCOLN AVE., SUITE 221
POST OFFICE BOX 1986
SANTA FE, N.M. 87504-1986
TELEPHONE: (505) 989-9614
FAX: (505) 989-9857

April 3, 1995

WILLIAM K. STRATVERT, COUNSEL
PAUL W. ROBINSON, COUNSEL

PLEASE REPLY TO SANTA FE

Matador Petroleum Corporation
415 W. Wall, Suite 1101
Midland, Texas 79701-4410

**VIA CERTIFIED
RETURN RECEIPT REQUESTED**

Re: Application of Dalen Resources Oil and Gas Company for Pool Creation and Special Pool Rules, Eddy County, New Mexico

Dear Sir or Madam:

This will advise that Dalen Resources Oil and Gas Company has filed an application with the New Mexico Oil Conservation Division seeking the creation of a new pool and for special pool rules for production of oil and gas from the Delaware formation from Dalen's Murchison State 2 No. 1 well located in the SE/NE of Section 2, Township 25 South, Range 26 East, NMPM, Eddy County New Mexico. A copy of Dalen's Application to the NMOCD is enclosed.

This application has been set for hearing before a Division Examiner on May 4, 1995 at the New Mexico Oil Conservation Division in Santa Fe. You are not required to attend this hearing, but as an operator of a well or owner of an unleased mineral interest within the pool, or as an operator of a well within one mile of the boundaries of the above-referenced lands, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Very truly yours,

MILLER, STRATVERT, TORGERSON
& SCHLENKER, P.A.



J. Scott Hall
ATTORNEY FOR DALEN RESOURCES
OIL & GAS COMPANY

JSH/mg

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 date of delivery. For additional fees the following services are available. Consult postmaster for fees.
 Check box(es) for additional service(s) requested.
 Show to whom delivered, date, and addressee's address. 2. Restricted Delivery (Extra charge)

3. Article Addressed to: <i>Matador Petroleum Corp. 415 W. Wall, Suite 1101 Midland, Texas 79701-4410</i>	4. Article Number <i>P561 862 190</i>
5. Signature - Addressee <i>X</i>	Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input checked="" type="checkbox"/> Return Receipt for Merchandise
6. Signature - Agent <i>X Coleen Catalano</i>	Always obtain signature of addressee or agent and DATE DELIVERED.
7. Date of Delivery <i>4-5-95</i>	8. Addressee's Address (ONLY if requested and fee paid)

PS Form 3811, Apr. 1989 *U.S.G.P.O. 1989-238-815 DOMESTIC RETURN RECEIPT

PS Form 3800, June 1985 U.S.G.P.O. 1989-234-555

P 561 862 190
 RECEIPT FOR CERTIFIED MAIL
 NO INSURANCE COVERAGE PROVIDED
 NOT FOR INTERNATIONAL MAIL
 (See Reverse)

Sent to <i>Matador Petroleum Corp.</i>	Street and No. <i>415 W. Wall</i>	Suite <i>Suite 1101</i>
P.O. Stop and Zip Code <i>Midland, Texas 79701-4410</i>		
Postage	\$	<i>32</i>
Certified Fee		<i>1.10</i>
Special Delivery Fee		
Restricted Delivery Fee		
Return Receipt showing to whom and Date Delivered		<i>1.10</i>
Return Receipt showing to whom, Date, and Address of Delivery		<i>1.10</i>
TOTAL Postage and Fees	\$	<i>2.52</i>
Postmark or Date		

MILLER, STRATVERT, TORGERSON & SCHLENKER, P.A.
LAW OFFICES

RANNE B. MILLER
ALAN C. TORGERSON
KENDALL O. SCHLENKER
ALICE TOMLINSON LORENZ
GREGORY W. CHASE
ALAN KONRAD
MARGO J. MCCORMICK
LYMAN G. SANDY
STEPHEN M. WILLIAMS
STEPHAN M. VIDMAR
ROBERT C. GUTIERREZ
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DEBORAH A. SOLOVE
GARY L. GORDON
LAWRENCE R. WHITE

SHARON P. GROSS
VIRGINIA ANDERMAN
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JOHN R. FUNK
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JILL BURTRAM
TERRI L. SAUER
JOEL T. NEWTON
JUDITH K. NAKAMURA
THOMAS M. DOMME
DAVID H. THOMAS III
C. BRIAN CHARLTON
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JEFFREY E. JONES
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FAX: (505) 989-9857

April 3, 1995

WILLIAM K. STRATVERT, COUNSEL
PAUL W. ROBINSON, COUNSEL

PLEASE REPLY TO SANTA FE

Honorable Ray Powell, Jr.
Commissioner of Public Lands
Post Office Box 1148
Santa Fe, New Mexico 87504

**VIA CERTIFIED
RETURN RECEIPT REQUESTED**

Re: Application of Dalen Resources Oil and Gas Company for Pool Creation and Special Pool Rules, Eddy County, New Mexico

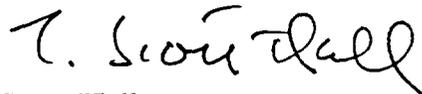
Dear Mr. Powell:

This will advise that Dalen Resources Oil and Gas Company has filed an application with the New Mexico Oil Conservation Division seeking the creation of a new pool and for special pool rules for production of oil and gas from the Delaware formation from Dalen's Murchison State 2 No. 1 well located in the SE/NE of Section 2, Township 25 South, Range 26 East, NMPM, Eddy County New Mexico. A copy of Dalen's Application to the NMOCD is enclosed.

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Very truly yours,

MILLER, STRATVERT, TORGERSON
& SCHLENKER, P.A.

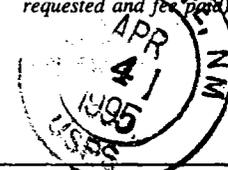


J. Scott Hall
ATTORNEY FOR DALEN RESOURCES
OIL & GAS COMPANY

JSH/mg

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Show to whom delivered, date, and addressee's address. **2.** Restricted Delivery (Extra charge)

3. Article Addressed to: <i>Honorable Ray Powell, Jr.</i> <i>Commissioner of Public Lands</i> <i>P.O. Box 1148</i> <i>Santa Fe, NM 87504</i>	4. Article Number <i>P 561 862 196</i>
5. Signature - Addressee <i>X</i>	Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input checked="" type="checkbox"/> Return Receipt for Merchandise Always obtain signature of addressee or agent and DATE DELIVERED.
6. Signature - Agent <i>X</i>	8. Addressee's Address (ONLY if requested and fee paid) 
7. Date of Delivery	

PS Form 3811, Apr. 1989 *U.S.G.P.O. 1989-238-815 **DOMESTIC RETURN RECEIPT**

PS Form 3800, June 1985 *U.S.G.P.O. 1989-234-55R

P 561 862 196

RECEIPT FOR CERTIFIED MAIL
 NO INSURANCE COVERAGE PROVIDED
 NOT FOR INTERNATIONAL MAIL
 (See Reverse)

Sept to	<i>Hon. Ray Powell, Jr.</i>
Street and No.	<i>P.O. Box 1148</i>
P.O. State and ZIP Code	<i>Santa Fe, NM 87504</i>
Postage	\$ <i>.32</i>
Certified Fee	<i>1.10</i>
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	<i>1.10</i>
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$ <i>2.52</i>
Postmark or Date	<i>4/3/95</i>

MILLER, STRATVERT, TORGERSON & SCHLENKER, P.A.

LAW OFFICES

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KENDALL O. SCHLENKER
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JILL BURTRAM
TERRI L. SAUER
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THOMAS M. DOMME
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C. BRIAN CHARLTON
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*LEONARD D. SANCHEZ
ROBIN A. GOBLE
*ADMITTED IN CALIFORNIA ONLY

ALBUQUERQUE, N.M.
500 MARQUETTE N.W., SUITE 1100
POST OFFICE BOX 25687
ALBUQUERQUE, N.M. 87125
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FAX: (505) 243-4408

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TELEPHONE: (505) 326-4521
FAX: (505) 325-5474

SANTA FE, N.M.
125 LINCOLN AVE., SUITE 221
POST OFFICE BOX 1988
SANTA FE, N.M. 87504-1988
TELEPHONE: (505) 989-9814
FAX: (505) 989-9857

April 3, 1995

WILLIAM K. STRATVERT, COUNSEL
PAUL W. ROBINSON, COUNSEL

PLEASE REPLY TO SANTA FE

M.W. Petroleum
a/k/a Apache Corporation
200 Post Oak Blvd., Suite 100
Houston, Texas 77056-4403

**VIA CERTIFIED
RETURN RECEIPT REQUESTED**

Re: Application of Dalen Resources Oil and Gas Company for Pool Creation and Special Pool Rules, Eddy County, New Mexico

Dear Sir or Madam:

This will advise that Dalen Resources Oil and Gas Company has filed an application with the New Mexico Oil Conservation Division seeking the creation of a new pool and for special pool rules for production of oil and gas from the Delaware formation from Dalen's Murchison State 2 No. 1 well located in the SE/NE of Section 2, Township 25 South, Range 26 East, NMPM, Eddy County New Mexico. A copy of Dalen's Application to the NMOCD is enclosed.

This application has been set for hearing before a Division Examiner on May 4, 1995 at the New Mexico Oil Conservation Division in Santa Fe. You are not required to attend this hearing, but as an operator of a well or owner of an unleased mineral interest within the pool, or as an operator of a well within one mile of the boundaries of the above-referenced lands, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Very truly yours,

MILLER, STRATVERT, TORGERSON
& SCHLENKER, P.A.



J. Scott Hall
ATTORNEY FOR DALEN RESOURCES
OIL & GAS COMPANY

JSH/mg

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. (Extra charge) 2. Restricted Delivery (Extra charge)

3. Article Addressed to:
*M.W. Petroleum
 a/k/a Apache Corporation
 200 Post Oak Blvd, Suite 100
 Houston, Texas 77056-4403*

4. Article Number
P561862189

Type of Service:
 Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

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

5. Signature — Addressee
 X

6. Signature — Agent
 X *[Signature]*

7. Date of Delivery
05 MARCH 95

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

PS Form 3811, Apr. 1989 *U.S.G.P.O. 1989-238-815 DOMESTIC RETURN RECEIPT

PS Form 3800, June 1985 *U.S.G.P.O. 1989-234-555

P 561 862 189

RECEIPT FOR CERTIFIED MAIL
 NO INSURANCE COVERAGE PROVIDED
 NOT FOR INTERNATIONAL MAIL
 (See Reverse)

Sent to <i>M.W. Petroleum</i>	
Street and No. <i>200 Post Oak Blvd, Suite</i>	
P.O. State and ZIP Code <i>Houston, TX 77056-4403</i>	
Postage <i>0.32</i>	\$
Certified Fee <i>1.10</i>	\$
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered <i>1.10</i>	\$
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees <i>2.52</i>	\$
Postmark or Date <i>4/3/95</i>	

MILLER, STRATVERT, TORGERSON & SCHLENKER, P.A.
LAW OFFICES

RANNE B. MILLER
ALAN C. TORGERSON
KENDALL O. SCHLENKER
ALICE TOMLINSON LORENZ
GREGORY W. CHASE
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MARGO J. MCCORMICK
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ALBUQUERQUE, N.M. 87125
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125 LINCOLN AVE., SUITE 221
POST OFFICE BOX 1986
SANTA FE, N.M. 87504-1986
TELEPHONE: (505) 989-9614
FAX: (505) 989-9857

April 3, 1995

WILLIAM K. STRATVERT, COUNSEL
PAUL W. ROBINSON, COUNSEL

PLEASE REPLY TO SANTA FE

Chevron USA, Inc.
Post Office Box 1150
Midland, Texas 79701

**VIA CERTIFIED
RETURN RECEIPT REQUESTED**

Re: Application of Dalen Resources Oil and Gas Company for Pool Creation and Special Pool Rules, Eddy County, New Mexico

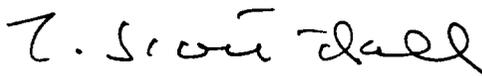
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Very truly yours,

MILLER, STRATVERT, TORGERSON
& SCHLENKER, P.A.



J. Scott Hall
ATTORNEY FOR DALEN RESOURCES
OIL & GAS COMPANY

JSH/mg

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1. Show to whom delivered, date, and addressee's address. (Extra charge) 2. Restricted Delivery (Extra charge)

3. Article Addressed to:
Chevron USA, Inc.
P.O. Box 1150
Midland, TX 79701

4. Article Number
P561862187

Type of Service:
 Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Addressee
X

6. Signature - Agent
X *Bob Kelly*

7. Date of Delivery
APR - 5 1985

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

PS Form 3811, Apr. 1989 *U.S.G.P.O. 1989-238-815 DOMESTIC RETURN RECEIPT

PS Form 3800, June 1985 *U.S.G.P.O. 1989-234-555

P 561 862 187

RECEIPT FOR CERTIFIED MAIL
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 (See Reverse)

Sept to	<i>Chevron USA, Inc.</i>
Street and No	<i>P.O. Box 1150</i>
P.O. State and ZIP Code	<i>Midland, TX 79701</i>
Postage	\$.32
Certified Fee	1.10
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	1.10
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$ 2.52
Postmark or Date	<i>4/3/85</i>

MILLER, STRATVERT, TORGERSON & SCHLENKER, P.A.
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FAX: (505) 989-9857

April 3, 1995

WILLIAM K. STRATVERT, COUNSEL
PAUL W. ROBINSON, COUNSEL

PLEASE REPLY TO SANTA FE

Texaco Exploration & Production, Inc.
Post Office Box 3109
Midland, Texas 79702

**VIA CERTIFIED
RETURN RECEIPT REQUESTED**

Re: Application of Dalen Resources Oil and Gas Company for Pool Creation and Special Pool Rules, Eddy County, New Mexico

Dear Sir or Madam:

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J. Scott Hall
ATTORNEY FOR DALEN RESOURCES
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JSH/mg

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1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery (Extra charge)

3. Article Addressed to: Texaco Exp & Production P.O. Box 3109 Midland, Texas 79702	4. Article Number P561 862 193
	Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input checked="" type="checkbox"/> Return Receipt for Merchandise
Always obtain signature of addressee or agent and DATE DELIVERED .	
5. Signature - Addressee X	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X <i>Herby Hingor</i>	
7. Date of Delivery APR - 5 1995	

PS Form 3811, Apr. 1989 *U.S.G.P.O. 1989-238-815 DOMESTIC RETURN RECEIPT

PS Form 3800, June 1985 U.S.G.P.O. 1989-234-555

Sender	Texaco Exp & Prod
Street and No.	P.O. Box 3109
P.O. State and ZIP Code	Midland, Texas 79702
Postage	\$.32
Certified Fee	1.10
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	1.10
Return Receipt showing to whom Date and Address of Delivery	
TOTAL Postage and Fees	\$ 2.52
Postmark or Date	

RECEIPT FOR CERTIFIED MAIL
 NO INSURANCE COVERAGE PROVIDED
 NOT FOR INTERNATIONAL MAIL
 (See Reverse)

P 561 862 193

MILLER, STRATVERT, TORGERSON & SCHLENKER, P.A.
LAW OFFICES

RANNE B. MILLER
ALAN C. TORGERSON
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*ADMITTED IN CALIFORNIA ONLY

ALBUQUERQUE, N.M.
500 MARQUETTE N.W., SUITE 1100
POST OFFICE BOX 25687
ALBUQUERQUE, N.M. 87125
TELEPHONE: (505) 842-1950
FAX: (505) 243-4408

LAS CRUCES, N.M.
277 EAST AMADOR
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LAS CRUCES, N.M. 88004
TELEPHONE: (505) 523-2481
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FARMINGTON, N.M.
300 WEST ARRINGTON
POST OFFICE BOX 869
FARMINGTON, N.M. 87499
TELEPHONE: (505) 326-4521
FAX: (505) 325-5474

SANTA FE, N.M.
125 LINCOLN AVE., SUITE 221
POST OFFICE BOX 1986
SANTA FE, N.M. 87504-1986
TELEPHONE: (505) 989-9614
FAX: (505) 989-9857

April 3, 1995

WILLIAM K. STRATVERT, COUNSEL
PAUL W. ROBINSON, COUNSEL

PLEASE REPLY TO SANTA FE

Redstone Oil & Gas Company
8235 Douglas Avenue, Suite 1050
Dallas, Texas 75225

VIA CERTIFIED
RETURN RECEIPT REQUESTED

Re: Application of Dalen Resources Oil and Gas Company for Pool Creation and Special Pool Rules, Eddy County, New Mexico

Dear Sir or Madam:

This will advise that Dalen Resources Oil and Gas Company has filed an application with the New Mexico Oil Conservation Division seeking the creation of a new pool and for special pool rules for production of oil and gas from the Delaware formation from Dalen's Murchison State 2 No. 1 well located in the SE/NE of Section 2, Township 25 South, Range 26 East, NMPM, Eddy County New Mexico. A copy of Dalen's Application to the NMOCD is enclosed.

This application has been set for hearing before a Division Examiner on May 4, 1995 at the New Mexico Oil Conservation Division in Santa Fe. You are not required to attend this hearing, but as an operator of a well or owner of an unleased mineral interest within the pool, or as an operator of a well within one mile of the boundaries of the above-referenced lands, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Very truly yours,

MILLER, STRATVERT, TORGERSON
& SCHLENKER, P.A.



J. Scott Hall
ATTORNEY FOR DALEN RESOURCES
OIL & GAS COMPANY

JSH/mg

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 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 (Extra charge)

3. Article Addressed to: Redstone Oil & Gas Co 8235 Douglas Ave Suite 1050 Dallas, Texas 75225	4. Article Number P561 862 194
Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input checked="" type="checkbox"/> Return Receipt for Merchandise	
Always obtain signature of addressee or agent and DATE DELIVERED.	
5. Signature - Addressee <i>[Signature]</i>	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X	
7. Date of Delivery 4-6-95	

PS Form 3811, Apr. 1989

U.S.G.P.O. 1989-238-815

DOMESTIC RETURN RECEIPT

PS Form 3800, June 1985

U.S.G.P.O. 1989-234-555

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TOTAL Postage and Fees	\$ 2.52
Return Receipt showing to whom, Date, and Address of Delivery	1.10
Restricted Delivery Fee	
Special Delivery Fee	
Certified Fee	1.10
Postage	.32
P.O. State and ZIP Code	Dallas Texas 75225
Street and No.	8235 Douglas Ave, Suite 1050
	Sept 10 Redstone Oil & Gas Co.

RECEIPT FOR CERTIFIED MAIL
 NO INSURANCE COVERAGE PROVIDED
 NOT FOR INTERNATIONAL MAIL
 (See Reverse)

P 561 862 194

Dalen Resources
Murchison State 2 #1
 RFLM 05026

DE CORE EXAMINER CATANACH
 OIL CONSERVATION DIVISION

EXHIBIT NO. 6

CASE NO. 11280

SUMMARY OF PVT DATA

Reported Reservoir Conditions

Average Reservoir Pressure	2453	psig
Average Reservoir Temperature	100	°F

Pressure-Volume Relations

Saturation Pressure	2453	psig
Avg Single-Phase Compressibility	12.10	E-6 wV/psi (5000 to 2453 psig)
Thermal Exp @ 5000 psig	1.02672	V at 100 °F / V at 60 °F

Differential Vaporization Data

(at 2453 psig and 100 °F)

Solution Gas/Oil Ratio	1,061	scf / bbl of residual oil at 60 °F
Relative Oil Volume	1.510	bbl / bbl of residual oil at 60 °F
Density of Reservoir Fluid	0.6689	gnv/cc

Reservoir Fluid Viscosity

0.365 cp at 2453 psig and 100 °F

Separator Test Results

Separator Conditions		Formation Volume Factor (A)	Total Solution Gas/Oil Ratio (B)	Tank Oil Gravity (°API at 60 °F)
psig	°F			
250	70	1.499	1,051	45.5

(A) Barrels of saturated oil per barrel of stock tank oil at 60 °F.

(B) Total standard cubic feet of gas per barrel of stock tank oil at 60 °F.

Dalen Resources
Murchison State 2 #1
 RFLM 95026

EXAMINER CATANACH
 CONSERVATION DIVISION

EXHIBIT NO. 7

CASE NO. 11280

COMPOSITION OF PRIMARY STAGE SEPARATOR GAS
 (by Programmed-Temperature, Capillary Chromatography)

Component	Mol %	Plant Products (GPM)	Liquid Density (gm/cc)	MW
Hydrogen Sulfide	0.00			
Carbon Dioxide	0.30		0.8172	44.010
Nitrogen	3.38		0.8086	28.013
Methane	77.79		0.2997	16.043
Ethane	9.87	2.690	0.3582	30.070
Propane	4.44	1.247	0.5070	44.097
Iso-Butane	0.74	0.247	0.5629	58.123
n-Butane	1.52	0.488	0.5840	58.123
Iso-Pentane	0.70	0.261	0.6244	72.150
n-Pentane	0.72	0.266	0.6311	72.150
Hexanes	0.34	0.135	0.6850	84.0
Heptanes	0.16	0.069	0.7220	96.0
Octanes	0.01	0.005	0.7450	107
Nonanes	0.03	0.015	0.7640	121
Totals	100.00	5.423		

SAMPLING CONDITIONS

250 psig
 68 °F

Average Sample Properties

Critical Pressure, psia 657.0
 Critical Temperature, °R 393.3

Average Molecular Weight 21.31
 Calculated Gas Gravity (air = 1.000) 0.736

at 15.025 psia and 60 °F

Properties of Plus Fractions

Component	Mol %	Liquid Density (gm/cc)	Liquid API Gravity	MW
Heptanes plus	0.20	0.7305	62.0	100.3

Heating Value, Btu/scf dry gas*

Gross 1229
 Net 1114

Heating Value, Btu/Cubic Feet wet gas*

Gross 1208
 Net 1094

Wobbe Index, Btu/Cubic Feet dry gas

Gross 1433

Note: Component properties assigned from literature.
 * ref: Gas Producers & Suppliers Association (GPSA) Engineering Data Book

EXHIBIT

PRODUCED GAS ANALYSES COMPARISON

Operator	Ray Westall	DALEN Resources	Bird Creek Resources	Ray Westall
Lease	Santa Fe Fed. No. 1	Murchison St. 2 No. 1	RG A No. 1	Myrtle Myra No. 2
Field	E. Herradura	White City	E. Loving	LaHuerta
Heating Value BTU/MCF	1,167	1,208	1,571	1,431
Liquid Content.GPM				
Ethane				
Propane	2.636	2.69	7.098	4.985
ISO Butane	1.375	1.247	4.388	3.069
Normal Butane	0.177	0.247	0.461	0.485
ISO Pentane	0.436	0.488	0.981	1.019
Normal Pentane	0.384	0.261	0.18	0.346
Hexanes Plus	---	0.266	0.172	0.335
	---	0.224	0.176	0.398
	5.008	5.423	13.456	10.637

BEFORE EXAMINER CATANACH
OIL CONSERVATION DIVISION

EXHIBIT NO. 8

CASE NO. 11280

*Exhibit
Santa Fe Federal Lease - 8 Wells*

Calculated
Oil

PAUL W. CATANACH
RESERVATION DIVISION

PALEN EXHIBIT NO. 5

CASE NO. 11280

TEMP
GOR vs Oil Cumulative
Cf/BB1 vs BB1s
TEMP.raw11
For the Period 00/0000 to 00/0000

Herradura Bend, E. Brushy Canyon Field

Production
Oil
Gas
Water



Reported Oil Production = 152928 Bbls
Reported Gas Production = 2225621 Mcf
Reported Water Production = 386424 Bbls

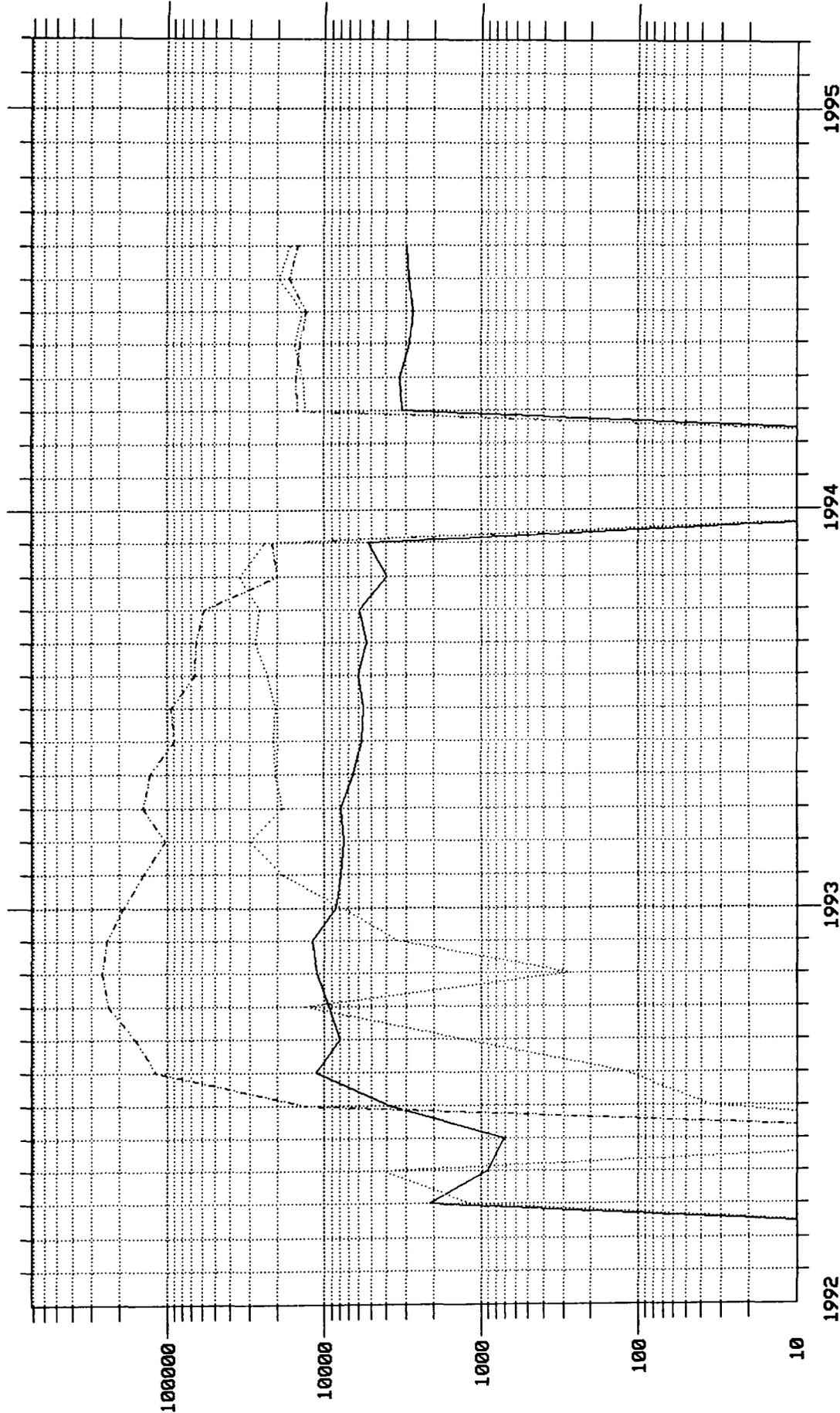
*Exhibit
Santa Fe Federal Lease - 8 Wells*

Calculated
 Oil
 Gas
 Water - - -

TEMP
 Production Rate vs Time
 BBl/Mo or Mcf/Mo vs Months
 TEMP.raw:1;
 For the Period 00/0000 to 00/0000

Production
 Oil
 Gas
 Water

Herradura Bend, E. Brushy Canyon Field



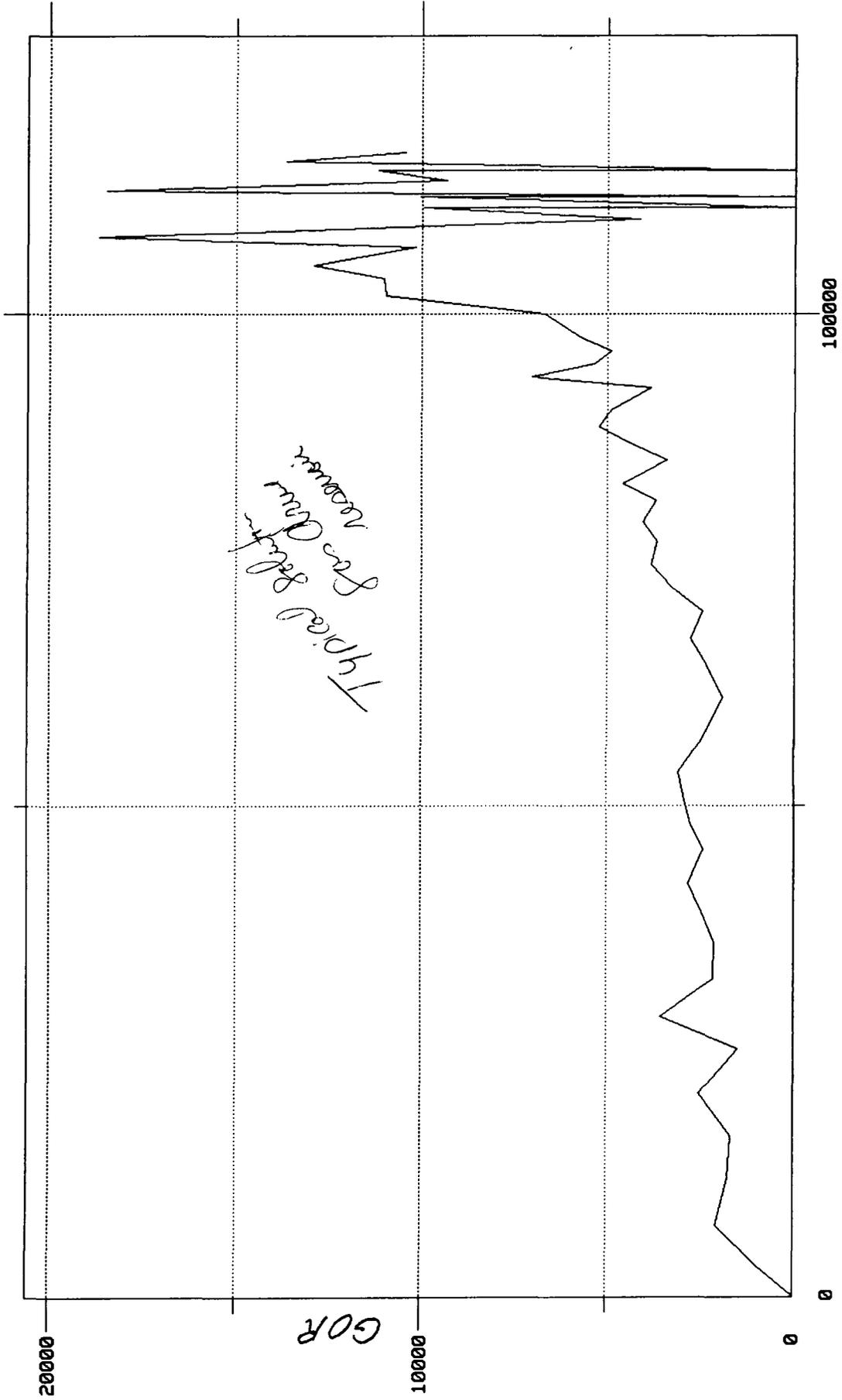
Reported Oil Production = 152928 Bbls
 Reported Gas Production = 2225621 Mcf
 Reported Water Production = 386424 Bbls

Exhibit

Calculated
 Oil
 Gas
 Water

TEMP
 GOR vs Oil Cumulative
 Cf/BB1 vs BB1s
 CULEBRA BLUFF UNIT (S0121RB OPERATING COMP
 For the Period 08/1990 to 11/1994
 Loving Brushy Canyon Field

Production
 Oil ———
 Gas
 Water



Reported Oil Production = 116433 Bbls
 Reported Gas Production = 471892 Mcf
 Reported Water Production = 44155 Bbls

Exhibit

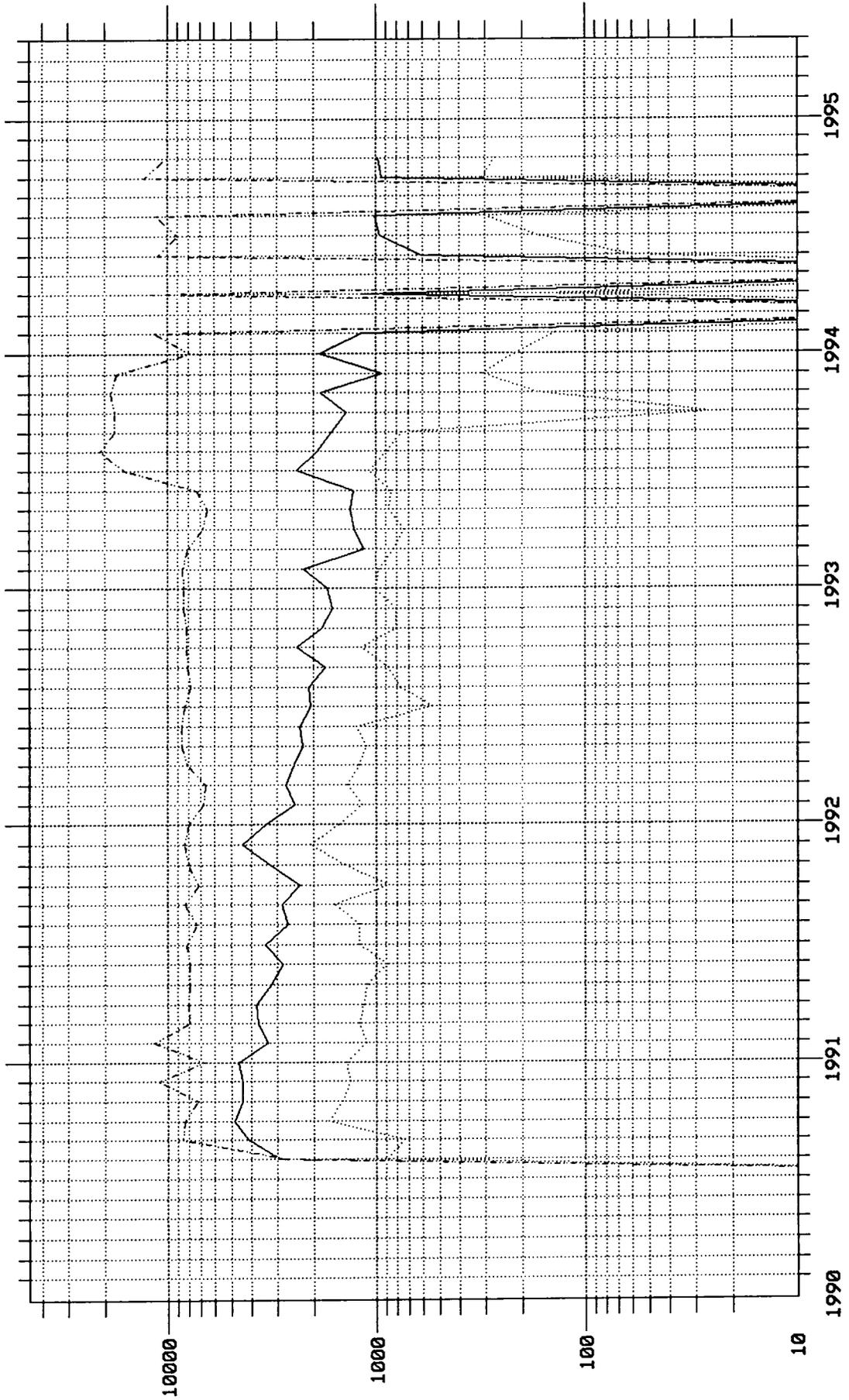
Calculated
Oil
Gas
Water

TEMP

Production Rate vs Time
BBl/Mo or Mcf/Mo vs Months
CULEBRA BLUFF UNIT (S0121RB OPERATING COMP
For the Period 08/1990 to 11/1994

Loving Brushy Canyon Field

Production
Oil
Gas
Water



Reported Oil Production = 116433 Bbls
Reported Gas Production = 471892 Mcf
Reported Water Production = 44155 Bbls

Exhibit
Eddy County Brushy Canyon Fields
GOR Performance Comparison

	<u>Loving</u>	<u>Nash Draw</u>	<u>Herradura Bend, E.</u>
First Production	1990	1993	1992
Cumulative GOR, Scf/Bbl.	4525	2980	7870
1994 Annual GOR, Scf/Bbl.	10925	3940	5600

BEFORE EXAMINER CATANACH OIL CONSERVATION DIVISION
EXHIBIT NO. <u>10</u>
CASE NO. <u>11280</u>

MURCHISON NO. 1: INITIAL PRODUCTION

DATE	OIL (BBL)	WATER (BBL)	GAS (MCF)	GOR (SCF/BO)	FTP (PSIG)	HOURS	CHOKE (/64)
3/17/95							
3/18/95	150	0	360	2,400	1,250	17	17
3/19/95	98	52	625	6,378	1,200	24	18
3/20/95	253	250	625	2,470	1,200	24	18
3/21/95	254	264	1,250	4,921	1,150	24	18
3/22/95	99	8	541	5,465	1,375	23	14
3/23/95	73	3	498	6,822	1,325	24	14
3/24/95	129	101	640	4,961	1,140	24	15
3/25/95	114	80	526	4,614	1,500	24	14
3/26/95	101	73	526	5,208	1,500	24	14
3/27/95	120	93	623	5,192	1,400	24	15
3/28/95	172	201	985	5,727	1,185	24	16
3/29/95	115	70	645	5,609	1,350	24	16
3/30/95	101	67	526	5,208	1,425	24	15
3/31/95	98	75	645	6,582	1,340	24	15
4/1/95	65	84	666	10,246	1,320	24	15
4/2/95	101	61	623	6,168	1,310	24	15
4/3/95	103	103	686	6,660	1,340	24	15
4/4/95	61	62	111	1,820			
4/5/95							
4/6/95							
4/7/95							
4/8/95							
4/9/95							
4/10/95							
4/11/95							
4/12/95							
4/13/95							
4/14/95	69	200	750	10,870	1,400	16	14
4/15/95	165	268	1,057	6,406	1,150	24	16
4/16/95	135	140	1,026	7,600	1,026	24	16
4/17/95	107	101	840	7,850	1,260	24	17
4/18/95	179	267	1,307	7,302	1,225	24	17
4/19/95	191	306	1,503	7,869	1,150	24	17
4/20/95	154	197	1,341	8,708	1,110	24	17
4/21/95	137	215	1,335	9,745	1,110	24	17
4/22/95	154	220	1,370	8,896	1,125	24	17
4/23/95	140	186	1,338	9,557	1,125	24	17
4/24/95	141	193	1,368	9,702	1,125	24	17
4/25/95	142	207	1,412	9,944	1,120	24	17
4/26/95	6	6	203	33,833	1,660	24	8
4/27/95	0	0	213		1,700	24	9
4/28/95	109	98	1,114	10,220	1,200	24	15
4/29/95	187	372	1,458	7,797	980	24	16
4/30/95	215	490	1,816	8,447	800	24	16
5/1/95							

BEFORE EXAMINER CATANACH
 OIL CONSERVATION DIVISION
 EXHIBIT NO. 11
 CASE NO. 11280

Exhibit
White City (Brushy Canyon) Field
Comparative Drilling Economics

	<u>Case 1</u>	<u>Case 2</u>	<u>Case 3*</u>
Oil Allowable, BOPD	107	107	250
Oil Rate, BOPD	3	107	250
GOR Limit, Scf/Bbl.	2,000	10,000	10,000
Well Payout, Mos.	72	10	7
Well Life, Yrs.	21	5	9
Oil Reserves, MBBls	80	80	175

*Note: Additional pay sands perfed to prevent drainage from offset operator wells.

BEFORE EXAMINER CATANACH OIL CONSERVATION DIVISION
EXHIBIT NO. <u>12</u>
CASE NO. <u>11280</u>

Exhibit
Eddy County Brushy Canyon Fields
GOR Performance Comparison

	<u>Loving</u>	<u>Nash Draw</u>	<u>Herradura Bend, E.</u>
First Production	1990	1993	1992
Cumulative GOR, Scf/Bbl.	4525	2980	7870
1994 Annual GOR, Scf/Bbl.	10925	3940	5600

BEFORE EXAMINER CATANACH OIL CONSERVATION DIVISION	
EXHIBIT NO. <u>10</u>	
CASE NO. <u>11280</u>	

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BEFORE EXAMINER CATANACH
 OIL CONSERVATION DIVISION
 DALEN EXHIBIT NO. 11
 CASE NO. 11280

**Exhibit
White City (Brushy Canyon) Field
Comparative Drilling Economics**

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Well Life, Yrs.	21	5	9
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*Note: Additional pay sands perfed to prevent drainage from offset operator wells.

BEFORE EXAMINER CATANACH OIL CONSERVATION DIVISION DALEN EXHIBIT NO. <u>17</u> CASE NO. <u>117803</u>
--

BEFORE THE
OIL CONSERVATION DIVISION
NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS

IN THE MATTER OF THE APPLICATION OF
DALEN RESOURCES OIL & GAS COMPANY FOR
POOL CREATION AND SPECIAL POOL RULES
EDDY COUNTY, NEW MEXICO

CASE NO. 11280

AFFIDAVIT

STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

J. SCOTT HALL, attorney in fact and authorized representative of Dalen Resources Oil and Gas Company, the Applicant herein, being first duly sworn, upon oath, states that the notice provisions of Rule 1207 of the New Mexico Oil Conservation Division have been complied with, that Applicant has caused to be conducted a good faith, diligent effort to find the correct addresses of all interested persons entitled to receive notice, as shown by Exhibit "A" attached hereto, and that pursuant to Rule 1207, notice has been given by certified mail at the correct addresses provided by such rule.



J. SCOTT HALL

SUBSCRIBED AND SWORN to before me this 4th day of May, 1995, by J. Scott Hall.



Notary Public

My Commission Expires:

Oct 28, 1997

EXHIBIT NO. 13

MILLER, STRATVERT, TORGERSON & SCHLENKER, P.A.

LAW OFFICES

RANNE B. MILLER
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POST OFFICE BOX 1986
SANTA FE, N.M. 87504-1986
TELEPHONE: (505) 989-9614
FAX: (505) 989-9857

April 3, 1995

WILLIAM K. STRATVERT, COUNSEL
PAUL W. ROBINSON, COUNSEL

PLEASE REPLY TO SANTA FE

Unit Production Company
7130 Lewis
1000 Galleria Tower
Tulsa, Oklahoma 74136

VIA CERTIFIED
RETURN RECEIPT REQUESTED

Re: Application of Dalen Resources Oil and Gas Company for Pool Creation and Special Pool Rules, Eddy County, New Mexico

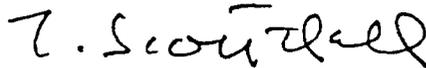
Dear Sir or Madam:

This will advise that Dalen Resources Oil and Gas Company has filed an application with the New Mexico Oil Conservation Division seeking the creation of a new pool and for special pool rules for production of oil and gas from the Delaware formation from Dalen's Murchison State 2 No. 1 well located in the SE/NE of Section 2, Township 25 South, Range 26 East, NMPM, Eddy County New Mexico. A copy of Dalen's Application to the NMOCD is enclosed.

This application has been set for hearing before a Division Examiner on May 4, 1995 at the New Mexico Oil Conservation Division in Santa Fe. You are not required to attend this hearing, but as an operator of a well or owner of an unleased mineral interest within the pool, or as an operator of a well within one mile of the boundaries of the above-referenced lands, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Very truly yours,

MILLER, STRATVERT, TORGERSON
& SCHLENKER, P.A.



J. Scott Hall
ATTORNEY FOR DALEN RESOURCES
OIL & GAS COMPANY

JSH/mg

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 (Extra charge)

3. Article Addressed to: Unit Production Co. 7130 Lewis, 100 Galleria Tower Tulsa, Oklahoma 74136 <i>J. Kitchen</i>	4. Article Number P 561 862 195
5. Signature - Addressee X	Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input checked="" type="checkbox"/> Return Receipt for Merchandise
6. Signature - Agent X	Always obtain signature of addressee or agent and DATE DELIVERED.
7. Date of Delivery 4-6-95	8. Addressee's Address (ONLY if requested and fee paid)

PS Form 3811, Apr. 1989

U.S.G.P.O. 1989-238-815

DOMESTIC RETURN RECEIPT

PS Form 3800, June 1985 U.S.G.P.O. 1989-234-555

P 561 862 195

RECEIPT FOR CERTIFIED MAIL
 NO INSURANCE COVERAGE PROVIDED
 NOT FOR INTERNATIONAL MAIL
 (See Reverse)

Sent to: Unit Production Co.	
Street and No. 100 Galleria Tower, 7130 Lewis	
P.O. State and ZIP Code Tulsa, Oklahoma 74136	
Postage	\$.32
Certified Fee	1.10
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	1.10
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	2.52
Postmark or Date	

MILLER, STRATVERT, TORGERSON & SCHLENKER, P.A.
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KENDALL O. SCHLENKER
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GREGORY W. CHASE
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*LEONARD D. SANCHEZ
ROBIN A. GOBLE
*ADMITTED IN CALIFORNIA ONLY

ALBUQUERQUE, N.M.
500 MARQUETTE N.W., SUITE 1100
POST OFFICE BOX 25687
ALBUQUERQUE, N.M. 87125
TELEPHONE: (505) 842-1950
FAX: (505) 243-4408

LAS CRUCES, N.M.
277 EAST AMADOR
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LAS CRUCES, N.M. 88004
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FAX: (505) 526-2215

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April 3, 1995

WILLIAM K. STRATVERT, COUNSEL
PAUL W. ROBINSON, COUNSEL

PLEASE REPLY TO SANTA FE

Murchison Oil & Gas Company
1445 Ross Avenue, Suite 5300, LB 152
Dallas, Texas 75202-2883

VIA CERTIFIED
RETURN RECEIPT REQUESTED

Re: Application of Dalen Resources Oil and Gas Company for Pool Creation and
Special Pool Rules, Eddy County, New Mexico

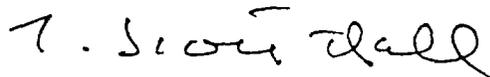
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Very truly yours,

MILLER, STRATVERT, TORGERSON
& SCHLENKER, P.A.



J. Scott Hall
ATTORNEY FOR DALEN RESOURCES
OIL & GAS COMPANY

JSH/mg

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1. Show to whom delivered, date, and addressee's address. (Extra charge)
2. Restricted Delivery (Extra charge)

3. Article Addressed to:
Murchison Oil & Gas Co.
1445 Ross Avenue, Suite
5300, LB 152
Dallas, Texas 75202-2883

4. Article Number
P 561 862 192

Type of Service:
 Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature — Addressee
X

6. Signature — Agent
X

7. Date of Delivery
APR 5 1995

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

PS Form 3811, Apr. 1989 U.S.G.P.O. 1989-238-815 DOMESTIC RETURN RECEIPT

PS Form 3800, June 1985 U.S.G.P.O. 1989-234-555

P 561 862 192

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED
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(See Reverse)

Postage	\$.32
Certified Fee	1.10
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	1.10
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$ 2.52
Postmark or Date	

Sent to
Murchison Oil & Gas
1445 Ross Ave, Suite 5300 LB 152
Dallas, Texas 75202-2883

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LAW OFFICES

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FAX: (505) 989-8857

April 3, 1995

WILLIAM K. STRATVERT, COUNSEL
PAUL W. ROBINSON, COUNSEL

PLEASE REPLY TO SANTA FE

Matador Petroleum Corporation
415 W. Wall, Suite 1101
Midland, Texas 79701-4410

VIA CERTIFIED
RETURN RECEIPT REQUESTED

Re: Application of Dalen Resources Oil and Gas Company for Pool Creation and
Special Pool Rules, Eddy County, New Mexico

Dear Sir or Madam:

This will advise that Dalen Resources Oil and Gas Company has filed an application with the New Mexico Oil Conservation Division seeking the creation of a new pool and for special pool rules for production of oil and gas from the Delaware formation from Dalen's Murchison State 2 No. 1 well located in the SE/NE of Section 2, Township 25 South, Range 26 East, NMPM, Eddy County New Mexico. A copy of Dalen's Application to the NMOCDD is enclosed.

This application has been set for hearing before a Division Examiner on May 4, 1995 at the New Mexico Oil Conservation Division in Santa Fe. You are not required to attend this hearing, but as an operator of a well or owner of an unleased mineral interest within the pool, or as an operator of a well within one mile of the boundaries of the above-referenced lands, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Very truly yours,

MILLER, STRATVERT, TORGERSON
& SCHLENKER, P.A.

T. Scott Hall

J. Scott Hall
ATTORNEY FOR DALEN RESOURCES
OIL & GAS COMPANY

JSH/mg

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 Check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. (Extra charge)
 2. Restricted Delivery (Extra charge)

3. Article Addressed to:
*Matador Petroleum Corp.
 415 W. Wall, Suite 1101
 Midland, Texas 79701-4410*

4. Article Number
P561 862 190

Type of Service:
 Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature — Addressee
 X

6. Signature — Agent
 X *Coleen Catalano*

7. Date of Delivery
4-5-95

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

PS Form 3811, Apr. 1989

U.S.G.P.O. 1989-238-815

DOMESTIC RETURN RECEIPT

PS Form 3800, June 1985

U.S.G.P.O. 1989-234-555

Sent to	<i>Matador Petroleum Corp.</i>
Street and No.	<i>415 W. Wall Suite 1101</i>
P.O. Stop and ZIP Code	<i>Midland, Texas 79701-4410</i>
Postage	\$ <i>32</i>
Certified Fee	
Special Delivery Fee	\$ <i>1.10</i>
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	\$ <i>1.10</i>
Return Receipt showing to whom, Date, and Address of Delivery	\$ <i>1.10</i>
TOTAL Postage and Fees	\$ <i>2.52</i>
Postmark or Date	

RECEIPT FOR CERTIFIED MAIL
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 (See Reverse)

P 561 862 190

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April 3, 1995

WILLIAM K. STRATVERT, COUNSEL
PAUL W. ROBINSON, COUNSEL

PLEASE REPLY TO SANTA FE

Honorable Ray Powell, Jr.
Commissioner of Public Lands
Post Office Box 1148
Santa Fe, New Mexico 87504

VIA CERTIFIED
RETURN RECEIPT REQUESTED

Re: Application of Dalen Resources Oil and Gas Company for Pool Creation and
Special Pool Rules, Eddy County, New Mexico

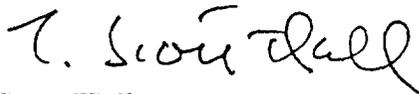
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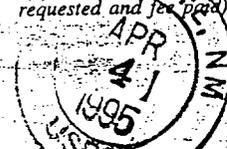


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ATTORNEY FOR DALEN RESOURCES
OIL & GAS COMPANY

JSH/mg

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Show to whom delivered, date, and addressee's address. **2.** Restricted Delivery (Extra charge)

3. Article Addressed to: Honorable Ray Powell, Jr. Commissioner of Public Lands P.O. Box 1148 Santa Fe, NM 87504	4. Article Number P 561 862 196
5. Signature - Addressee X	Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input checked="" type="checkbox"/> Return Receipt for Merchandise
6. Signature - Agent X	Always obtain signature of addressee or agent and DATE DELIVERED.
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PS Form 3800, June 1985 * U.S.G.P.O. 1989-234-555

Postmark or Date	4/3/95
TOTAL Postage and Fees	\$ 2.52
Return Receipt showing to whom and Date Delivered	1.10
Restricted Delivery Fee	
Special Delivery Fee	
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Postage	\$.32
P.O. State and ZIP Code	Santa Fe, NM 87504
Street and No.	P.O. Box 1148
Sent to	Hon. Ray Powell, Jr.

RECEIPT FOR CERTIFIED MAIL
 NO INSURANCE COVERAGE PROVIDED
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 (See Reverse)

P 561 862 196

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April 3, 1995

WILLIAM K. STRATVERT, COUNSEL
PAUL W. ROBINSON, COUNSEL

PLEASE REPLY TO SANTA FE

M.W. Petroleum
a/k/a Apache Corporation
200 Post Oak Blvd., Suite 100
Houston, Texas 77056-4403

VIA CERTIFIED
RETURN RECEIPT REQUESTED

Re: Application of Dalen Resources Oil and Gas Company for Pool Creation and
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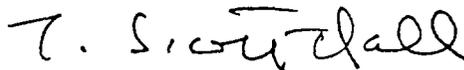
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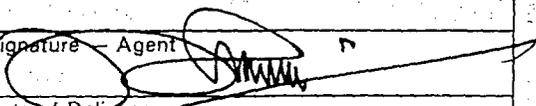


J. Scott Hall
ATTORNEY FOR DALEN RESOURCES
OIL & GAS COMPANY

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3. Article Addressed to: <i>M.W. Petroleum 2111/a Apache Corporation 200 Post Oak Blvd, Suite 100 Houston, Texas 77056-4403</i>	4. Article Number <i>P561862189</i>
Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input checked="" type="checkbox"/> Return Receipt for Merchandise	
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PS Form 3811, Apr. 1989 *U.S.G.P.O. 1989-238-815 DOMESTIC RETURN RECEIPT

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 (See Reverse)

Sent to <i>M.W. Petroleum</i>	
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FAX: (505) 243-4408

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POST OFFICE BOX 869
FARMINGTON, N.M. 87499
TELEPHONE: (505) 326-4521
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125 LINCOLN AVE., SUITE 221
POST OFFICE BOX 1986
SANTA FE, N.M. 87504-1986
TELEPHONE: (505) 989-9614
FAX: (505) 989-9857

April 3, 1995

WILLIAM K. STRATVERT, COUNSEL
PAUL W. ROBINSON, COUNSEL

PLEASE REPLY TO SANTA FE

Chevron USA, Inc.
Post Office Box 1150
Midland, Texas 79701

VIA CERTIFIED
RETURN RECEIPT REQUESTED

Re: Application of Dalen Resources Oil and Gas Company for Pool Creation and Special Pool Rules, Eddy County, New Mexico

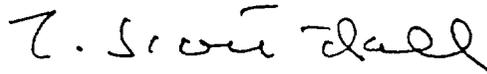
Dear Sir or Madam:

This will advise that Dalen Resources Oil and Gas Company has filed an application with the New Mexico Oil Conservation Division seeking the creation of a new pool and for special pool rules for production of oil and gas from the Delaware formation from Dalen's Murchison State 2 No. 1 well located in the SE/NE of Section 2, Township 25 South, Range 26 East, NMPM, Eddy County New Mexico. A copy of Dalen's Application to the NMOCD is enclosed.

This application has been set for hearing before a Division Examiner on May 4, 1995 at the New Mexico Oil Conservation Division in Santa Fe. You are not required to attend this hearing, but as an operator of a well or owner of an unleased mineral interest within the pool, or as an operator of a well within one mile of the boundaries of the above-referenced lands, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Very truly yours,

MILLER, STRATVERT, TORGERSON
& SCHLENKER, P.A.



J. Scott Hall
ATTORNEY FOR DALEN RESOURCES
OIL & GAS COMPANY

JSH/mg

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 date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. (Extra charge) 2. Restricted Delivery (Extra charge)

3. Article Addressed to: <i>Cameron USA, Inc. P.O. Box 1150 Midland, TX 79701</i>	4. Article Number <i>P561862187</i>
	Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input checked="" type="checkbox"/> Return Receipt for Merchandise
	Always obtain signature of addressee or agent and DATE DELIVERED.
5. Signature — Addressee <i>X</i>	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature — Agent <i>X</i> <i>Bob Bell</i>	
7. Date of Delivery <i>APR - 5 1985</i>	

PS Form 3811, Apr. 1989 * U.S.G.P.O. 1989-238-815 DOMESTIC RETURN RECEIPT

PS Form 3800, June 1985 * U.S.G.P.O. 1989-234-555

P 561 862 187

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SANTA FE, N.M. 87504-1986
TELEPHONE: (505) 989-9614
FAX: (505) 989-9857

April 3, 1995

WILLIAM K. STRATVERT, COUNSEL
PAUL W. ROBINSON, COUNSEL

PLEASE REPLY TO SANTA FE

Texaco Exploration & Production, Inc.
Post Office Box 3109
Midland, Texas 79702

VIA CERTIFIED
RETURN RECEIPT REQUESTED

Re: Application of Dalen Resources Oil and Gas Company for Pool Creation and
Special Pool Rules, Eddy County, New Mexico

Dear Sir or Madam:

This will advise that Dalen Resources Oil and Gas Company has filed an application with the New Mexico Oil Conservation Division seeking the creation of a new pool and for special pool rules for production of oil and gas from the Delaware formation from Dalen's Murchison State 2 No. 1 well located in the SE/NE of Section 2, Township 25 South, Range 26 East, NMPM, Eddy County New Mexico. A copy of Dalen's Application to the NM OCD is enclosed.

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Very truly yours,

MILLER, STRATVERT, TORGERSON
& SCHLENKER, P.A.



J. Scott Hall
ATTORNEY FOR DALEN RESOURCES
OIL & GAS COMPANY

JSH/mg

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 being returned to you. The return receipt fee will provide you the name of the person delivered to and 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. (Extra charge)
 2. Restricted Delivery (Extra charge)

3. Article Addressed to: Texaco Exp & Production P.O. Box 3109 Midland, Texas 79702	4. Article Number P561 862 193
Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input checked="" type="checkbox"/> Return Receipt for Merchandise	
Always obtain signature of addressee or agent and <u>DATE DELIVERED</u> .	
5. Signature - Addressee X	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X <i>Herby Hingor</i>	
7. Date of Delivery APR - 5 1995	

PS Form 3811, Apr. 1989 *U.S.G.P.O. 1989-238-815 DOMESTIC RETURN RECEIPT

PS Form 3800, June 1985 *U.S.G.P.O. 1989-234-555-

Serial No.	<i>P561 862 193</i>
Sheet and No.	<i>1 of 1</i>
Postmark and ZIP Code	<i>Midland, Texas 79702</i>
Postage	\$.32
Certified Fee	1.10
Special Delivery Fee	
Restricted Delivery Fee	
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Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$2.52
Postmark or Date	

P 561 862 193
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FAX: (505) 989-9857

April 3, 1995

WILLIAM K. STRATVERT, COUNSEL
PAUL W. ROBINSON, COUNSEL

PLEASE REPLY TO SANTA FE

Redstone Oil & Gas Company
8235 Douglas Avenue, Suite 1050
Dallas, Texas 75225

VIA CERTIFIED
RETURN RECEIPT REQUESTED

Re: Application of Dalen Resources Oil and Gas Company for Pool Creation and
Special Pool Rules, Eddy County, New Mexico

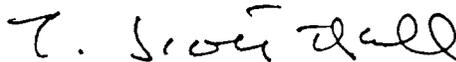
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Very truly yours,

MILLER, STRATVERT, TORGERSON
& SCHLENKER, P.A.



J. Scott Hall
ATTORNEY FOR DALEN RESOURCES
OIL & GAS COMPANY

JSH/mg

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3. Article Addressed to:
 Redstone Oil & Gas Co
 8235 Douglas Ave Suite 1050
 Dallas, Texas 75225

4. Article Number
 P561 862 194

Type of Service:
 Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Addressee
 X *[Signature]*

6. Signature - Agent
 X

7. Date of Delivery
 4-6-95

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

PS Form 3811, Apr 1989 * U.S.G.P.O. 1989-238-815 DOMESTIC RETURN RECEIPT

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Street and No.	8235 Douglas Ave, Suite 1050
P.O., State and Zip Code	Dallas Texas 75225
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TOTAL Postage and Fees	\$ 2.52
Postmark or Date	

P 561 862 194

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Chevron

May 1, 1995

Chevron U.S.A. Production Company
P. O. Box 1150
Midland, TX 79702

M. K. DeBerry
New Mexico Team Leader
Permian Gas Profit Center
Phone 915 687 7695
Fax 915 687 7905

State Of New Mexico
Energy, Minerals & Natural Resources Dept.
Oil Conservation Division
1040 S. Pacheco
Santa Fe, New Mexico 87504

Attn: Mr. W. J. LeMay, Director

RE: Application of Dalen Resources Oil and Gas Company for Pool Creation and Special Pool Rules, Murchison State 2 #1 well, SE NE of Section 2, T25S-R26E, Eddy Co., N.M.

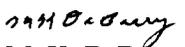
Gentlemen:

Chevron U.S.A. Production Company, as an offset operator to the captioned well, conditionally supports Dalen Resources' captioned application for pool creation and special pool rules, but only for a temporary six month period. Dalen's application for an allowable of 250 BOPD with a producing GOR of 10,000:1 greatly exceeds NMOCD rules for a discovery allowable. Because only one well has produced from this new pool for a short period of time, little is known regarding the producing characteristics of the pool. Chevron holds the lease directly offsetting the discovery well to the east and plans to drill a well in July, 1995. This is the earliest possible date that Chevron can drill a well due to the lengthy federal permitting process.

Dalen's proposed GOR of 10,000:1 would allow gas production at a rate of 2.5 MMCFD from the Murchison State 2 #1. Gas produced at this rate for an extended period of time could result in an accelerated loss of a substantial amount of reservoir energy and a corresponding loss of reserves if the pool proves to be a solution-gas drive reservoir. A six month temporary allowable period will allow Dalen to fully evaluate the producing characteristics of their well before extensive drainage of offsetting leases occurs. Evaluation of information from additional drilling, such as bottom hole pressures, reservoir permeability, and producing characteristics, should be required prior to adoption of permanent field rules.

In order to prevent the unnecessary waste of reserves and protect the correlative rights of offsetting operators, Chevron proposes that Dalen's application be temporarily approved for a six month period. At the end of said six month period, additional reservoir data pertaining to the proposed spacing or proration units, gas oil ratio and allowable for this new pool should be presented at a hearing to determine whether the temporary rules should be amended or made permanent.

Sincerely,


M. K. DeBerry

cc: William F. Carr



Chevron

May 1, 1995

Chevron U.S.A. Production Company
P. O. Box 1150
Midland, TX 79702

M. K. DeBerry
New Mexico Team Leader
Permian Gas Profit Center
Phone 915 687 7695
Fax 915 687 7905

State Of New Mexico
Energy, Minerals & Natural Resources Dept.
Oil Conservation Division
1040 S. Pacheco
Santa Fe, New Mexico 87504

Attn: Mr. W. J. LeMay, Director

RE: Application of Dalen Resources Oil and Gas Company for Pool Creation and Special Pool Rules, Murchison State 2 #1 well, SE NE of Section 2, T25S-R26E, Eddy Co., N.M.

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Sincerely,

M. K. DeBerry
M. K. DeBerry

cc: William F. Carr

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

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

RECEIVED

APR 28 1995

Oil Conservation Division
CASE NO. 11280

IN THE MATTER OF THE APPLICATION OF
DALEN RESOURCES OIL & GAS COMPANY FOR
CREATION OF A NEW POOL INCLUDING A SPECIAL
GAS-OIL RATIO AND SPECIAL OIL ALLOWABLE,
EDDY COUNTY, NEW MEXICO.

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by MATADOR
PETROLEUM CORPORATION as required by the Oil Conservation
Division.

APPEARANCE OF PARTIES

APPLICANT

Dalen Resources Oil & Gas Co.

ATTORNEY

Scott Hall, Esq.
P. O. Box 1986
Santa Fe, New Mexico 87504

OTHER PARTY

Matador Petroleum Corporation
415 W. Wall, Suite 1101
Midland, Texas 79701-4410
Attn: Roger Elliot
(915) 687-5955

ATTORNEY

W. Thomas Kellahin
KELLAHIN AND KELLAHIN
P.O. Box 2265
Santa Fe, NM 87504
(505) 982-4285

STATEMENT OF CASE

OTHER PARTY

Matador Petroleum Corporation contends that there is insufficient evidence that the subject well constitutes a new discovery and that it is premature to adopt either a Special Limiting Gas-Oil Ratio of 10,000 cubic feet of gas per barrel of oil or a special allowable of 250 BOPD for Dalen's subject Delaware oil well.

PROPOSED EVIDENCE

OPPOSITION

WITNESSES	EST. TIME	EXHIBITS
Ken Macko (Petroleum Geologist)	30 Min.	est. 4

PROCEDURAL MATTERS

None

~~KELLAHIN AND KELLAHIN~~

By: 

W. Thomas Kellahin

P.O. Box 2265

Santa Fe, New Mexico 87504

(505) 982-4285

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

RECEIVED

APR 28 1995

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

Oil Conservation Division

CASE NO. 11280

IN THE MATTER OF THE APPLICATION OF
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APPEARANCE OF PARTIES

APPLICANT

ATTORNEY

Dalen Resources Oil & Gas Co.

Scott Hall, Esq.
P. O. Box 1986
Santa Fe, New Mexico 87504

OTHER PARTY

ATTORNEY

Matador Petroleum Corporation
415 W. Wall, Suite 1101
Midland, Texas 79701-4410
Attn: Roger Elliot
(915) 687-5955

W. Thomas Kellahin
KELLAHIN AND KELLAHIN
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PROPOSED EVIDENCE

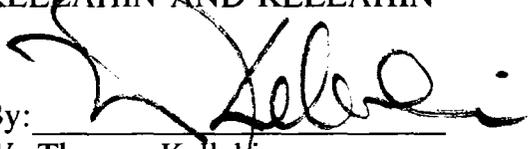
OPPOSITION

WITNESSES	EST. TIME	EXHIBITS
Ken Macko (Petroleum Geologist)	30 Min.	est. 4

PROCEDURAL MATTERS

None

KELLAHIN AND KELLAHIN

By: 

W. Thomas Kellahin

P.O. Box 2265

Santa Fe, New Mexico 87504

(505) 982-4285

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

RECEIVED

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

APR 28 1995

Oil Conservation Division

CASE NO. 11280

IN THE MATTER OF THE APPLICATION OF
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APPEARANCE OF PARTIES

APPLICANT

ATTORNEY

Dalen Resources Oil & Gas Co.

Scott Hall, Esq.
P. O. Box 1986
Santa Fe, New Mexico 87504

OTHER PARTY

ATTORNEY

Matador Petroleum Corporation
415 W. Wall, Suite 1101
Midland, Texas 79701-4410
Attn: Roger Elliot
(915) 687-5955

W. Thomas Kellahin
KELLAHIN AND KELLAHIN
P.O. Box 2265
Santa Fe, NM 87504
(505) 982-4285

STATEMENT OF CASE

OTHER PARTY

Matador Petroleum Corporation contends that there is insufficient evidence that the subject well constitutes a new discovery and that it is premature to adopt either a Special Limiting Gas-Oil Ratio of 10,000 cubic feet of gas per barrel of oil or a special allowable of 250 BOPD for Dalen's subject Delaware oil well.

PROPOSED EVIDENCE

OPPOSITION

WITNESSES	EST. TIME	EXHIBITS
Ken Macko (Petroleum Geologist)	30 Min.	est. 4

PROCEDURAL MATTERS

None

KELLAHIN AND KELLAHIN

By: 

W. Thomas Kellahin
P.O. Box 2265
Santa Fe, New Mexico 87504
(505) 982-4285

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 11280

APPLICATION OF DALEN RESOURCES OIL &
GAS COMPANY FOR CREATION OF A NEW POOL
INCLUDING A SPECIAL GAS OIL RATIO AND
SPECIAL OIL ALLOWABLE, EDDY COUNTY,
NEW MEXICO.

RECEIVED

MAY 1 1995

Oil Conservation Division

PRE-HEARING STATEMENT

This prehearing statement is submitted by Dalen Resources
as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

ATTORNEY

Dalen Resources Oil & Gas Co.

J. Scott Hall, Esq.

P.O. Box 1986

Santa Fe, NM 87504

name, address, phone and
contact person

OPPOSITION OR OTHER PARTY

ATTORNEY

name, address, phone and
contact person

STATEMENT OF CASE

APPLICANT

(Please make a concise statement of what is being sought with this application and the reasons therefore.)

Applicant proposes the creation of a new pool underlying the SE/NE of Sec. 2, T.25.S, R. 26E, NMPM, for Delaware production from its Murchison State 2 No. 1 Well drilled at a standard location in Unit H of Section 2. Applicant seeks the promulgation of special pool rules including a gas-oil ratio limitation of 10,000 cubic feet of gas per barrel of oil and a special depth bracket allowable of 250 barrels of oil per day.

OPPOSITION OR OTHER PARTY

(Please make a concise statement of the basis for opposing this application or otherwise state the position of the party filing this statement.)

PROPOSED EVIDENCE

APPLICANT

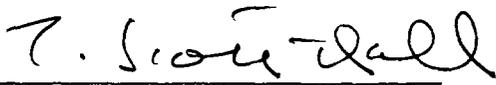
WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
Jerry Anderson, Landman	15 min.	
Ralph Nelson, Geologist	20 min.	
George Vaughn, Reservoir Engineer	20 min.	
		Eleven (11) total

OPPOSITION

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
-----------------------------------	-----------	----------

PROCEDURAL MATTERS

(Please identify any procedural matters which
need to be resolved prior to the hearing)



Signature

MILLER, STRATVERT, TORGERSON & SCHLENKER, P.A.
LAW OFFICES

RANNE B. MILLER
ALAN C. TORGERSON
KENDALL O. SCHLENKER
ALICE TOMLINSON LORENZ
GREGORY W. CHASE
ALAN KONRAD
MARGO J. MCCORMICK
LYMAN G. SANDY
STEPHEN M. WILLIAMS
STEPHAN M. VIDMAR
ROBERT C. GUTIERREZ
SETH V. BINGHAM
MICHAEL H. HOSES
JAMES B. COLLINS
TIMOTHY R. BRIGGS
WALTER R. PARR
RUDOLPH LUCERO
DANIEL E. RAMCZYK
DEAN G. CONSTANTINE
DEBORAH A. SOLOVE
GARY L. GORDON
LAWRENCE R. WHITE

SHARON P. GROSS
VIRGINIA ANDERMAN
MARTE D. LIGHTSTONE
JOHN R. FUNK
J. SCOTT HALL
THOMAS R. MACK
MICHAEL J. HAPPE
DENISE BARELA SHEPHERD
JILL BURTRAM
TERRI L. SAUER
JOEL T. NEWTON
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April 3, 1995

WILLIAM K. STRATVERT, COUNSEL
PAUL W. ROBINSON, COUNSEL

PLEASE REPLY TO SANTA FE

Mr. William J. LeMay, Director
New Mexico Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico 87505

RECEIVED

HAND-DELIVERED

APR 3 1995

11280

Re: Application of Dalen Resources Oil and Gas Company for Pool Creation and Special Pool Rules
Eddy County, New Mexico

Oil Conservation Division

Dear Mr. LeMay:

Enclosed is the Application of Dalen Resources Oil and Gas Company for Pool Creation and Special Pool Rules for the SE/NE Sec. 2, T-25-S, R-26-E, NMPM, Eddy County, New Mexico.

On behalf of the Applicant, Dalen Resources, we ask that this matter be set for examiner hearing on May 4, 1995.

Very truly yours,

MILLER, STRATVERT, TORGERSON
& SCHLENKER, P.A.

J. Scott Hall

JSH/mg

cc: Jerry Anderson, Dalen Resources

RECEIVED

BEFORE THE

APR 3 1995

OIL CONSERVATION DIVISION

Oil Conservation Division

NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS

IN THE MATTER OF THE APPLICATION OF
DALEN RESOURCES OIL & GAS COMPANY FOR
POOL CREATION AND SPECIAL POOL RULES
EDDY COUNTY, NEW MEXICO

CASE NO. 11280

APPLICATION

Dalen Resources Oil & Gas Company, by and through its undersigned attorneys, Miller, Stratvert, Torgerson & Schlenker, P.A., hereby makes application to the Oil Conservation Division for an order creating a new pool and for promulgation of special pool rules including (1) 40-acre spacing or proration units on a permanent basis, (2) a provision establishing a limiting gas oil ratio of 10,000 cubic feet of gas per barrel of oil, and (3) a special depth bracket allowable of 250 barrels of oil per day. In support, Applicant would show the Division:

1. The subject pool was discovered by Applicant's Murchison State 2 No. 1 well located in Unit H in Section 2, Township 25 South Range 26 East NMPM, Eddy County, New Mexico and said well is producing from the Delaware formation. The discovery well and subject lands are outside the present boundaries of any existing pool.

2. Applicant believes that the following described lands are reasonably productive of hydrocarbons in paying quantities from the Delaware formation and should be included in the original definition of the new pool to be created because of the production capability of the well on this acreage:

Township 25 South, Range 26 East, NMPM

Section 2: SE 1/4 NE 1/4

3. In order to prevent economic loss caused by the drilling of unnecessary wells, to avoid augmentation of risk arising from the drilling of an excessive number of wells and to otherwise prevent waste and protect correlative rights, Special Pool Rules and Regulations providing for 40-acre spacing units should be promulgated for the new pool.

4. Applicant requests that said Special Pool Rules provide that each well should be located on a standard unit containing 40 acres more or less.

5. Applicant further requests that said Special Pool Rules provide for a special depth bracket allowable for each well on a 40-acre spacing or proration unit of 250 barrels of oil per day; and a limiting gas oil ratio of 10,000 cubic feet of gas for each barrel of oil produced.

6. Authorization of the development of this pool with the limiting gas-oil ratio and special depth bracket requested will increase production from the pool and will result in the recovery of hydrocarbons that will otherwise not be recovered.

7. Granting this application will be in the best interests of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, Dalen Resources Oil & Gas Company requests that this Application be set for hearing before a duly appointed examiner of the Oil Conservation Division at its hearing scheduled for May 4, 1995, and that after notice and hearing as required by law, the Division enter its order granting this application and providing such other and further relief as is deemed appropriate.

Respectfully submitted,

MILLER, STRATVERT, TORGERSON &
SCHLENKER

By J. Scott Hall

J. SCOTT HALL

Attorneys for Dalen Resources Oil & Gas
Company

Post Office Box 1986

Santa Fe, New Mexico 87504-1986

LARGE FORMAT
EXHIBIT HAS
BEEN REMOVED
AND IS LOCATED
IN THE NEXT FILE

WELL S T R	JAN	FEB	MAR	APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	1993	PROD	MP	ACCU
9M1315529E OIL	INJECTION WELL													I	550	
10N2415529E OIL	PLUGGING APPROVED 1992														5520	
11K2415529E OIL	INJECTION WELL													I	5347	
12C2415529E OIL	INJECTION WELL													I	16681	
13M2415529E OIL	INJECTION WELL													I	68364	
14K2415529E OIL	INJECTION WELL													I	3091	
15N1315529E OIL	28	25	31	36	28	34	21	25	25	22	22	26	323P	10402		
LEASE TOTAL OIL	28	25	31	36	150	90	70	73	143	150	60	145	934	5699		
LEASE TOTAL GAS					36	28	34	21	25	22	22	26	323	745612		
LEASE TOTAL WAT				53	150	90	70	73	143	150	60	145	934	1650549		
SULIMAR QUEEN UNIT TR 2																
2M1815530E OIL	INJECTION WELL													I	250	
3O1315529E OIL	INJECTION WELL													I	7058	
4P1315529E OIL	LAST PROD. DATE 04/86													S	12085	
5GAS															58509	
6GAS															130455	
7GAS															62490	
8GAS															748802	
9GAS															2581	
10GAS															40011	
11GAS															203344	
12GAS															74575	
13GAS															847322	
14GAS															86899	
15GAS															10595	
16GAS															103008	
17GAS															321696	
18GAS															27078	
19GAS															69548	
20GAS															79533	
21GAS															21381	
22GAS															582696	
23GAS															51325	
24GAS															19384	
25GAS															19953	
26GAS															68291	
27GAS															301	
28GAS															452240	
29GAS															707594	
30GAS															78739	
31GAS															1849443	
SULIMAR QUEEN UNIT TR 4																
1A2615529E OIL	LAST PROD. DATE 03/85													S	143620	
2GAS															99180	
3GAS															408495	
4GAS															74539	
5GAS															25986	
6GAS															6234	
7GAS															148159	
8GAS															125166	
9GAS															414729	
SULIMAR QUEEN UNIT TR 5																
1M2615529E OIL	INJECTION WELL													I	20051	
2GAS															25989	
3GAS															8902	
4GAS															79643	
5GAS															55151	
6GAS															289154	
7GAS															56989	
8GAS															56672	
9GAS															167123	
10GAS															156683	
11GAS															137812	
12GAS															463239	
SULIMAR QUEEN UNIT TR 6																
1O2515529E OIL	INJECTION WELL													I	13102	
2GAS															1563	
3GAS															59977	
SULIMAR QUEEN UNIT TR 7																
2P2315529E OIL	INJECTION WELL													I	3204	
3GAS															3330	
SULIMAR QUEEN UNIT TR 8																
1O2415529E OIL	INJECTION WELL													I	36965	
2GAS															14843	
3GAS															10589	
COMPANY TOTAL OIL	28	25	31	36	28	34	21	25	25	22	22	26	323	2014663		
COMPANY TOTAL GAS					53	150	90	70	73	143	150	60	145	934	5295848	
COMPANY TOTAL WAT																
STEVENS & CO., INC																
SULIMAR 1K2615529E OIL	96	92	115	86	83	72	76	69	80	63	53	75	960P	82288		
GAS														35377		
WAT	310	230	656	526	238	698	546	320	305	310	302	298	4739	66070		
LEASE TOTAL OIL														63527		
LEASE TOTAL GAS														3919		
LEASE TOTAL WAT														37934		
COMPANY TOTAL OIL	96	92	115	86	83	72	76	69	80	63	53	75	960	145615		
COMPANY TOTAL GAS														7446		
COMPANY TOTAL WAT	310	230	656	526	238	698	546	320	305	310	302	298	4739	104004		
YATES PETROLEUM CORPORATION																
FEDERAL CL 1A3415529E OIL	56	41	52	49	36	42	42	37	40	41	43	9	488P	39915		
GAS														7935		
WAT	604	527	604	548	584	393	350	315	135	151	144	32	4387	63479		
2P2715529E OIL	27	19	25	24	17	20	20	18	19	20	20	4	235P	11543		
GAS														12216		
WAT	58	49	58	53	56	38	34	30	13	15	14	3	421	3046		
4P2715529E OIL	57	41	53	49	36	41	42	37	41	41	43	9	490P	50521		
GAS														3920		
WAT	268	234	268	244	260	175	156	140	61	68	64	14	1952	23435		
COMPANY TOTAL OIL	140	101	130	122	89	103	104	92	100	102	106	22	1211	101979		
COMPANY TOTAL GAS														28921		
COMPANY TOTAL WAT	930	810	930	845	900	606	540	483	209	234	222	49	6760	91960		
SULIMAR SAN ANDRES SA OR TO SM																
MCCLELLAN OIL CORPORATION																
LISA A FEDERAL Y 1K1315529E OIL	LAST PROD. DATE 07/77													S	1731	
LISA BS 1O1315529E OIL	LAST PROD. DATE 11/77													S	668	
COMPANY TOTAL OIL															2399	
SULPHATE DELAWARE, SOUTHWEST DL OS TO SM																
HANSON OPERATING CO., INC.																
GULF FEDERAL 1M1223526E OIL	PLUGGING APPROVED 1982														2147	
WAT															24413	
2L1223526E OIL	PLUGGING APPROVED 1982														1835	
WAT															41188	
COMPANY TOTAL OIL															3982	
COMPANY TOTAL WAT															65601	
MURCHISON OIL & GAS INC.																
WHITE CITY 14 FEDERAL 2J1425526E OIL	107	97	128	113	108	90	116	108	94	60	66	142	1229P	13202		
GAS	140	95	130	150	140	90	120	153	125	85	40	95	1365	18521		
WAT	1851	1699	2003	1799	1733	1376	1617	2152	1882	1255	1377	1768	20514	171710		
BILL & PATSY RICH FASSEM FEDERAL 11125526E OIL	61	51	58	52	54	48	50	45	44	58	60	58	639F	23143		
WAT	352	207	534	222	323	305	356	275	324	360	360	372	3992	206854		
M-W FEDERAL 1A1425526E OIL	34	28	35	29	37	33	19	28	35	31	30	30	369P	11921		
WAT	272	369	430	226	202	227	318	310	300	310	300	230	3494	195910		

1988-1948 -
2014-2098'

1957-2004

1977-2002

1944-1986 -

EAST HERRADURA BEND-DELAWARE POOL
(Gas-Oil Ratio)
Eddy County, New Mexico

Order No. R-9773, Adopting a Gas-Oil Ratio Rule for the East Herradura Bend-Delaware Pool, Eddy County, New Mexico, November 4, 1992.

Order No. R-9773-A, August 11, 1993, continues in effect the rules adopted in Order No. R-9773 (continued for six months).

Consolidated Application of Bird Creek Resources, Fortson Oil Company and Ray Westall Operating, Inc. for Special Pool Rules, Eddy County, New Mexico.

CASE NO. 10541
Order No. R-9773

ORDER OF THE DIVISION

BY THE DIVISION: This cause came on for hearing at 8:15 a.m. on October 1, 1992, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 19th day of November, 1992 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) At the time of the hearing, Fortson Oil Company moved to be realigned from an applicant to an interested party in this case and the motion should be granted.

(3) Bird Creek Resources and Ray Westall Operating, Inc. (hereinafter referred to as the "applicants"), seek an order promulgating special pool rules for the East Herradura Bend-Delaware Pool, including a provision for a gas-oil ratio of 10,000 cubic feet of gas per barrel of oil.

(4) At the hearing, Fortson Oil Company, Hanley Petroleum, Inc. and Bass Enterprises Production Company, each entered its respective appearance as a party affected by this case.

(5) The East Herradura Bend-Delaware Pool was created and defined by Division Order No. R-8179, as amended, and is currently governed by the Oil Conservation Division's Statewide Rules and Regulations, including a gas-oil ratio of 2,000 cubic feet of gas per barrel of oil and a top oil allowable of 142 barrels per day.

(6) The East Herradura Bend-Delaware Pool is located in portions of Sections 34 and 35, Township 22 South, Range 28 East, and a portion of Section 2, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico.

(7) Recently there has been substantial development in the Delaware formation outside the defined boundaries of this pool but within one mile thereof, and new wells are being curtailed due to the statewide gas-oil ratio of 2,000 cubic feet of gas per barrel of oil.

(8) In this area, the Brushy Canyon portion of the Delaware includes several hundred feet of shale and sand stringers, and, based upon currently available information, one of which appears to only be productive of natural gas.

(9) The fracture treatments typically used in completing Delaware wells in this area have communicated this gas stringer with the other producing zones in this formation resulting in wells producing at high gas-oil ratios.

(10) If the wells in this pool are produced under the statewide gas-oil ratio limitation of 2,000 to 1, liquids cannot be efficiently produced from the reservoir and substantial volumes of liquids may remain trapped as the reservoir energy is depleted by gas production.

(11) Currently there is no production data, PVT analysis or fluid samples taken exclusively from that sand stringer believed by the applicants to be productive only of gas.

(12) Currently there is no evidence available to demonstrate that a single gas cap was originally present in this reservoir or what ultimate effect this single gas productive stringer may have on ultimate recovery from the reservoir.

(13) Gas produced by the wells in this pool is comprised of solution gas plus free gas from oversaturated crude oil and/or gas from a separate gas zone. While the current gas producing rates for these wells may not be an accurate indication of the actual gas-oil ratios of the hydrocarbons at reservoir conditions or the ultimate appropriate gas-oil ratios at which these wells should be produced, approval of a temporary gas-oil ratio of 10,000 cubic feet of gas per barrel of oil is not expected to excessively dissipate reservoir energy or otherwise cause waste.

(14) Currently available evidence presented at the hearing demonstrated that a temporary gas-oil ratio limit of 10,000 cubic feet of gas per barrel of oil in the East Herradura Bend-Delaware Pool for a period of six months commencing on October 1, 1992 will afford an opportunity for all operators to gather more reservoir data, allow the reservoir in this portion of the Delaware formation to be produced at a faster and more efficient rate without harm to correlative rights and without causing waste and should be approved.

(15) Additional data on the producing characteristics of this reservoir, including the appropriate gas-oil producing rates, are rapidly being acquired due to the development currently underway in this pool and special pool rules and regulations for this pool should be promulgated on a temporary basis and should be reviewed by the Division in six months.

(16) The applicants request that temporary pool rules and regulations for this pool be effective as of October 1, 1992 and this request should be granted.

IT IS THEREFORE ORDERED THAT:

(1) The request of Fortson Oil Company to be dismissed as an applicant in this case is hereby granted.

(2) The application of Bird Creek Resources and Ray Westall Operating, Inc., for special pool rules providing for an increased gas-oil ratio limit for the East Herradura Bend-Delaware Pool, Eddy County, New Mexico, is hereby approved on a temporary basis.

(3) Temporary special pool rules for the East Herradura Bend-Delaware Pool are hereby promulgated as follows:

SPECIAL RULES AND REGULATIONS FOR THE
EAST HERRADURA BEND DELAWARE POOL

Rule 1: The limiting gas-oil ratio for said East Herradura Bend-Delaware Pool shall be 10,000 cubic feet of gas per barrel of oil produced.

IT IS FURTHER ORDERED THAT:

(4) The Special Rules and Regulations for the East Herradura Bend-Delaware Pool shall become effective October 1, 1992.

(5) This case shall be reopened at an Examiner Hearing in May, 1993, at which time the operators in the pool may appear and present evidence and show cause why the foregoing Special Rules and Regulations should remain in effect.

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

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

CLINE-BLINEBRY POOL
Lea County, New Mexico

Order No. R-9859, Adopting Operating Rules for the Cline-Blinebry Pool,
Lea County, New Mexico, April 1, 1993.

Application of Chuza Operating for Pool Creation
and Special Pool Rules, Lea County, New Mexico.

CASE NO. 10671
Order No. R-9859

ORDER OF THE DIVISION

BY THE DIVISION: This cause came on for hearing at 8:15 a.m. on February 18 and March 4, 1993, at Santa Fe, New Mexico, before Examiners Michael E. Stogner and David R. Catanach, respectively.

NOW, on this 17th day of March, 1993 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, Chuza Operating ("Chuza"), is the owner and operator of the Gambi Well No. 1 located 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 12, Township 23 South, Range 37 East, NMPM, Lea County, New Mexico, which was plugged back and recompleted in November/December, 1992 from the Cline Drinkard-Abo Pool to the Blinebry formation with perforations from 5,489 feet to 5,705 feet.

(3) The applicant now seeks the creation of a new pool for the production of oil from the Blinebry and Paddock formations comprising the SE/4 NE/4 and NE/4 SE/4 of Section 11 and the SW/4 NW/4 of Section 12, Township 23 South, Range 37 East, NMPM, Lea County, New Mexico, and the promulgation of special rules therefor including a provision for a gas/oil ratio limitation of 6,000 cubic feet of gas per barrel of oil.

(4) The applicant further requests that the proposed special rules be made effective retroactive to December 14, 1992, which corresponds with the date of first reported Blinebry production from Chuza's Gambi Well No. 1.

(5) At the February 18, 1993 hearing the applicant requested the Paddock formation be dismissed from the vertical limits of the proposed pool and that this application consider only the Blinebry formation.

(6) There are no other Blinebry pools within one mile of the proposed pool Chuza is seeking to create.

(7) It appears the first well or discovery well for the proposed pool was the Kelton Operating Corporation ("Kelton") Lineberry Well No. 1 located 1980 feet from the South line and 660 feet from the East line (Unit I) of Section 11, Township 23 South, Range 37 East, NMPM, Lea County, New Mexico, which was plugged back and recompleted in October 1992 from the Cline Drinkard-Abo Pool to the Blinebry formation with perforations from 5,342 feet to 5,706 feet. The Form C-104, Request for Allowable and Authorization to Transport Oil and Natural Gas, for this well on file with the Division in Santa Fe, indicates the completion/ready to produce date was October 20, 1992.

(8) Evidence presented by the applicant at the February 18, 1993 hearing indicates that the newly discovered reservoir is similar in nature to other Blinebry producing oil pools in the general area, being a typical interbedded dolomite with interstitial porosity having a combination structural/stratigraphic trapping mechanism, where the different laminated dolomite sections have either free oil or free gas phases that co-exist together.

(9) Evidence further indicates that such a reservoir can be produced with the higher gas-oil ratio without ultimately affecting overall recovery from the reservoir.

(10) It appears from the evidence presented at the hearing that approval of such higher gas-oil ratio throughout the proposed pool can be made on a permanent basis; however, should the Division deem it necessary to return said pool to the statewide 2000 to 1 ratio limitation in order to prevent waste, protect correlative rights or conserve reservoir energy the Director of the Division may issue such a directive without notice and hearing.

(11) The applicant at said hearing also requested to amend that portion of this application seeking a retroactive effective date of December 14, 1992 for the order issued in this matter to October 14, 1992 which, according to the testimony presented, represents the date the Kelton well discovered the proposed Blinebry pool.

(12) A representative for Kelton entered an appearance at the February 18, 1993 hearing in support of Chuza's application and proposed amendments.

(13) Since this amendment is beyond the scope of this application and its advertised intent, and to assure complete fairness to all concerned that any change in an assigned allowable affecting more than one well in a pool where there is more than one operator, any retroactive approval date for this application should be denied.

(14) The applicant proposed at the February 18, 1993 hearing to designate the above-described pool as the "Cline-Blinebry Pool", after the nearby Cline Drinkard-Abo, Cline-Devonian, and Cline-Tubb Pools.

(15) There was no opposition by any operator or by any interested party to the subject application.

(16) A new pool classified as an oil pool for Blinebry production should be created and designated the Cline-Blinebry Pool, with vertical limits to include the Blinebry formation and the horizontal limits comprising the SE/4 NE/4 and the NE/4 SE/4 of Section 11 and the SW/4 NW/4 of Section 12, both in Township 23 South, Range 37 East, NMPM, Lea County, New Mexico. FURTHER, the proposed pool and affiliated pool rules should be adopted on a permanent basis.

(17) The effective date for this application should be the first day of the next month following the date of this order.

IT IS THEREFORE ORDERED THAT:

(1) A new pool in Lea County, New Mexico, classified as an oil pool for Blinebry production, is hereby created and designated the Cline-Blinebry Pool, with vertical limits comprising the Blinebry formation, and the horizontal limits encompassing the following described area:

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM
Section 11: SE/4 NE/4 and NE/4 SE/4
Section 12: SW/4 NW/4

(2) Permanent Special Rules for said pool are hereby promulgated as follows:

**SPECIAL RULES AND REGULATIONS
FOR THE
CLINE-BLINEBRY POOL**

RULE 1. Each well completed or recompleted in the Cline-Blinebry Pool or in the Blinebry formation within one mile thereof, and not nearer to or within the limits of another designated Blinebry pool, shall be produced in accordance with the Special Rules herein set forth.

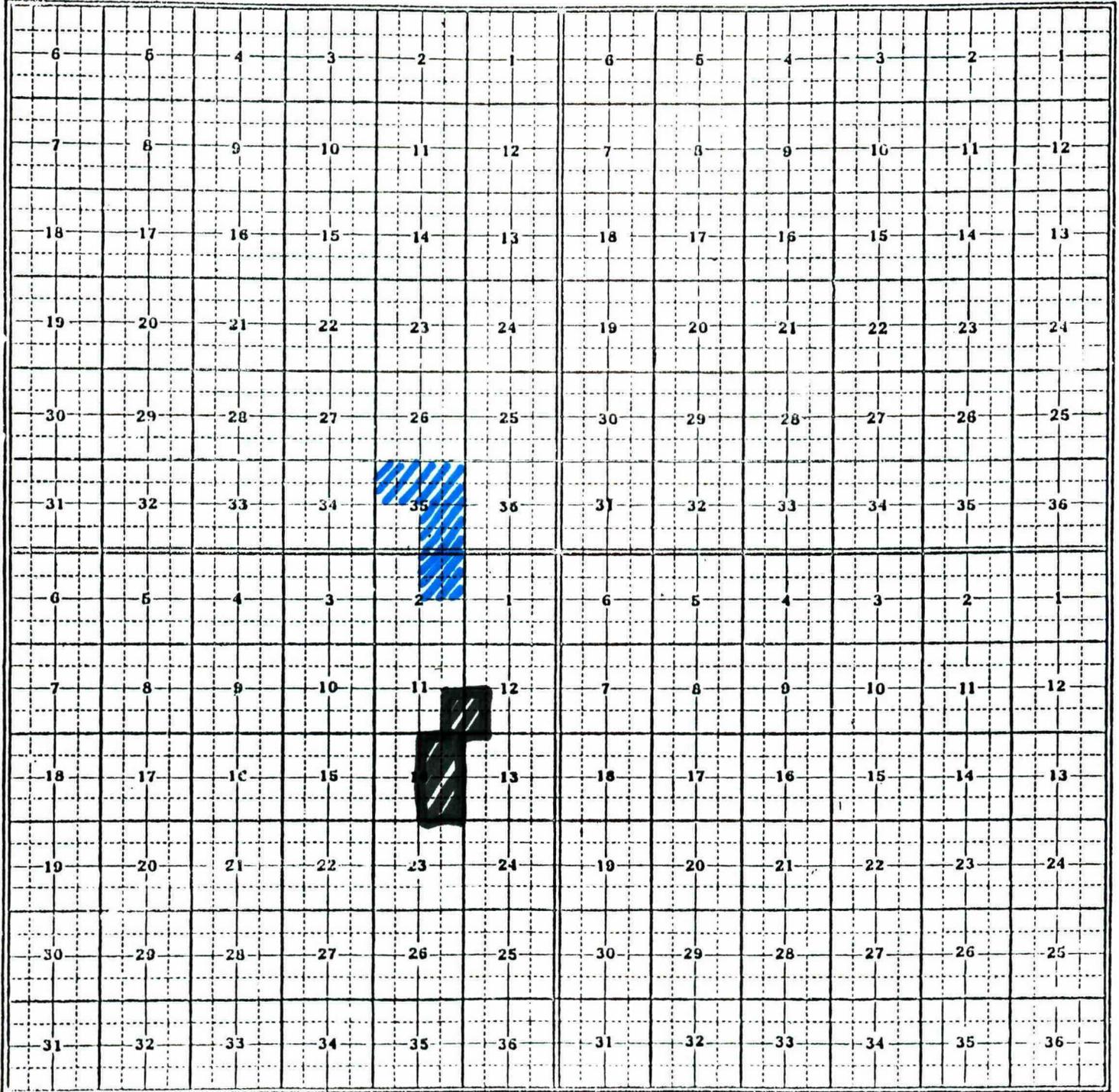
RULE 2. The limiting gas/oil ratio for said Cline-Blinebry Pool shall be 6,000 cubic feet of gas per barrel of oil produced; each production unit in said pool shall produce only that volume of gas equivalent to 6,000 multiplied by the top unit depth bracket allowable set for the pool.

26

27

24

25



/// PJ - Delaware Pool
 Southeast Sulphate - Delaware

OIL CONSERVATION DIVISION

311 S. First ARTESIA, NM

DISTRICT OFFICE II

January thru June 1995

NO. 2054 I

SUPPLEMENT TO THE OIL PRORATION SCHEDULE

DATE March 1, 1995

PURPOSE ALLOWABLE ASSIGNMENT - TESTING

Effective March 1, 1995 a testing allowable for 1500 barrels of oil is hereby assigned to Dalen Res. Oil & Gas Co., Murchison Estate #1-H- 2-25-26 in the Wildcat Delaware Pool for the month of March 1995.

TC/am

Dalen Res.

AMC

OIL CONSERVATION DIVISION

SUPERVISOR, DISTRICT II
DISTRICT SUPERVISOR

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0049

DISTRICT III
1000 Rio Brazos Rd, Aztec, NM 87410

Submit 3 Copies to
Appropriate District Office

State of New Mexico

Energy, Minerals and Natural Resources Department

RECEIVED CONSERVATION DIVISION
P.O. Box 2088

Santa Fe, New Mexico 87504-2088

MAR 15 1995

NFO Permit No. _____
(For Division Use Only)

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306
DIST. 2 (See Rule 306 and Rule 1129)

A. Applicant DALEN Resources Oil & Gas Co.

whose address is 6688 N. Central Expwy., Suite 1000, Dallas, TX 75206

hereby requests an exception to Rule 306 for 30 days or until

April 14, 19 95, for the following described tank battery (or LACT):

Name of Lease Murchison 2 State No. 1 Name of Pool Wildcat; Delaware

Location of Battery: Unit Letter H Section 2 Township 25S Range 26E

Number of wells producing into battery 1

B. Based upon oil production of 134 barrels per day, the estimated * volume

of gas to be flared is 268 MCF; Value \$308.00 ** per day.

** Minus marketing costs

C. Name and location of nearest gas gathering facility:

NGPL - 1/2 mile El Paso - 1/4 mile

D. Distance See above Estimated cost of connection Unknown at this time

E. This exception is requested for the following reasons: Establish the size of the reservoir
and accurately measure the GOR and other fluid properties prior to moving
ahead with our offset plans. Flowing the well prior to pipeline
installation will accelerate the offset drilling.

OPERATOR

I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature Cindy R. Keister

Printed Name & Title Cindy R. Keister

Date 03/14/95 Telephone No. 214 706-3640

OIL CONSERVATION DIVISION

Approved Until 4/14/95

By ORIGINAL SIGNED BY TIM W. GUM
DISTRICT II SUPERVISOR

Title _____

Date MAR 30 1995

* Gas-Oil ratio test may be required to verify estimated gas volume.

CONFIDENTIAL

District I
PO Box 1900, Hobbs, NM 88241-1900
District II
70 Drawer DD, Artesia, NM 88211-4719
District III
2000 Rio Brason Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-104
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
5 Copies

2004
CISF
WT
GT
LP

AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

Operator name and Address DALEN Resources Oil & Gas Co. 6688 N. Central Expwy., Suite 1000 Dallas, TX 75206		OGRID Number 016751
Property Code 16422		Reason for Filing Code NW
API Number 30-015-28288	Pool Name P-3- Wichita; Delaware	Pool Code S0381 06058
Property Name Murchison 2 State		Well Number 1

II. Surface Location

UL or lot no.	Section	Township	Range	Lot Id#	Feet from the	North/South Line	Feet from the	East/West line	County
H	2	25 ⁵	26E		1980	North	660	East	Eddy

III. Bottom Hole Location

UL or lot no.	Section	Township	Range	Lot Id#	Feet from the	North/South line	Feet from the	East/West line	County

Law Code P	Producing Method Code F	Gas Connection Date 4-14-95	C-129 Permit Number	C-129 Effective Date 03/17/95	C-129 Expiration Date 04/14/95
---------------	----------------------------	--------------------------------	---------------------	----------------------------------	-----------------------------------

III. Oil and Gas Transporters

Transporter OGRID	Transporter Name and Address	POD	DWG	POD ULSTR Location and Description
138648	AMOCO PIPELINE ICT Attn: Mike Stansifer 502 N. West Ave. Levelland, TX 79336	2814747	0	Post ID-2 4-21-95 camp + B14
15629	NGPL P. O. Box 283 Houston, TX 77001-0283	2814748	G	RECEIVED APR 9 1995 OIL CON. DIV.

IV. Produced Water

POD 2814749	POD ULSTR Location and Description DIST. 2
----------------	---

V. Well Completion Data

Spud Date	Ready Date	TD	FBTD	Perforations
01/20/95	03/05/95	8631'	5270'	5,133; - 66'
Bore Size	Casing & Tubing Size	Depth Set	Sacks Cement	
17-1/2"	13-3/8"	256'	260sx Class "C"	
12-1/4"	8-5/8"	2008'	500sx Class "C"	
7-7/8"	5-1/2"	5520'	1270sx Class "C"	

VI. Well Test Data

Date New Oil	Gas Delivery Date	Test Date	Test Length	Thy. Pressure	Cap. Pressure
03/17/95	4-24-95	03/29/95	24	1350	
Choke Size	Oil	Water	Gas	AOF	Test Method
16/64"	115	70	645		Flowing

I hereby certify that the data and information given above is true and complete to the best of my knowledge and belief.

Signature: *Cindy K. Keister*
Printed name: Cindy K. Keister
Title: Supervisor Regulatory Compliance
Date: 03/31/95 Phone: (214) 750-3800

OIL CONSERVATION DIVISION
Approved by: ORIGINAL SIGNED BY TIM W. GUM
DISTRICT II SUPERVISOR
Title:
Approval Date: APR 10 1995

* If this is a change of operator fill in the OGRID number and name of the previous operator

Previous Operator Signature _____ Printed Name _____ Title _____ Date _____

STATE OF NEW MEXICO
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

811 S. First ARTESIA NM

DISTRICT OFFICE II

January thru June 1995

NO. 2184 R

SUPPLEMENT TO THE OIL PRORATION SCHEDULE

DATE March 1, 1995

PURPOSE ALLOWABLE ASSIGNMENT - NEW WELL

Effective March 1, 1995 an allowable for a non-marginal (N107) well is hereby assigned to Dalem Resources Oil & Gas Co., Purchase 2 State #1-B-2-5-16 in the P.I Delaware Pool.

L - 1

MP - 1

TG/mc

Dalem Res. Oil & Gas Co.

AMG
NGPI

OIL CONSERVATION DIVISION

SUPERVISOR, DISTRICT II
DISTRICT SUPERVISOR

015F

district I
 7 Box 1980, Hobbs, NM 88241-1980
 district II
 7 Drawer DD, Artesia, NM 88211-0719
 district III
 68 Elm Branch Rd., Aztec, NM 87410
 district IV
 7 Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
 Energy, Minerals & Natural Resources Department

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 Revised February 10, 1994
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 5 Copies

OIL CONSERVATION DIVISION
 PO Box 2088
 Santa Fe, NM 87504-2088

MAR 15 1995

OIL CON. DIV. AMENDED REPORT
 DIST. 2

REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

Operator name and Address DALEN Resources Oil & Gas Co. 6688 N. Central Expwy., Suite 1000 Dallas, TX 75206		OGRID Number 016751
		Reason for Filing Code RT 1500 bbls
API Number 30-015-28288	Pool Name Wildcat; Delaware	Pool Code 96038
Property Code 16422	Property Name Murchison 2 State	Well Number 1

10 Surface Location

Well or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South Line	Feet from the	East/West line	County
H	2	25N	26E		1980	North	660	East	Eddy

11 Bottom Hole Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Lease Code	Producing Method Code	Gas Connection Date	C-129 Permit Number	C-129 Effective Date	C-129 Expiration Date
P	F				

L Oil and Gas Transporters

Transporter OGRID	Transporter Name and Address	POD	O/G	POD ULSTR Location and Description
38648	AMOCO PIPELINE ICT Attn: Mike Stansifer 502 N. West Ave. Levelland, TX 79336		O	

M Produced Water

POD	POD ULSTR Location and Description

N Well Completion Data

Spud Date	Ready Date	TD	PBTD	Perforations
01/20/95		8631'	5270'	5,133' - 66'
Well Size	Casing & Tubing Size	Depth Set	Sacks Cement	
17-1/2"	13-3/8"	256'	260sx Class "C"	
12-1/4"	8-5/8"	2008'	500sx Class "C"	
7-7/8"	5-1/2"	5520'	1270sx Class "C"	

O Well Test Data

" Date New Oil	" Gas Delivery Date	" Test Date	" Test Length	" Tbg. Pressure	" Csg. Pressure
" Choke Size	" Oil	" Water	" Gas	" AOP	" Test Method

I hereby certify that the observations and tests made by the Conservation Division have been completed and that the information given above is true and complete to the best of my knowledge and belief.

Signature: *Cindy R. Keister*
 Printed name: **Cindy R. Keister**
 Title: **Supervisor Regulatory Compliance**
 Date: **03/14/95** Phone: **(214) 750-3800**

OIL CONSERVATION DIVISION
 Approved by: **ORIGINAL SIGNED BY TIM W. GUM**
DISTRICT II SUPERVISOR
 Title:
 Approval Date: **MAR 30 1995**

If this is a change of operator fill in the OGRID number and name of the previous operator

Previous Operator Signature	Printed Name	Title	Date
-----------------------------	--------------	-------	------

CONFIDENTIAL

- District I
PO Box 1988, Hobbs, NM 88241-1988
- District II
20 Drawer DD, Arcoma, NM 88211-0719
- District III
1000 Rio Grande Rd., Alamogordo, NM 87416
- District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
 Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
 PO Box 2088
 Santa Fe, NM 87504-2088

Form C-104
 Revised February 10, 1994
 Instructions on back
 Submit to Appropriate District Office
 5 Copies

AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

Operator Name and Address DALEN Resources Oil & Gas Co. 6688 N. Central Expwy., Suite 1000 Dallas, TX 75206		OGRID Number 016751
Reason for Filing Code CO		
API Number 30-015-28288	Pool Name P. J. Delaware	Pool Code 50381
Property Code 16422	Property Name Murchison 2 State	Well Number 1

II. Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South Line	Feet from the	East/West Line	County
H	2	25N	26E		1980'	North	660'	East	Eddy

Bottom Hole Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South Line	Feet from the	East/West Line	County
---------------	---------	----------	-------	---------	---------------	------------------	---------------	----------------	--------

Lee Code P	Producing Method Code F	Gas Connection Date 4-25-95	C-129 Permit Number	C-129 Effective Date 03/17/95	C-129 Expiration Date 04/14/95
---------------	----------------------------	--------------------------------	---------------------	----------------------------------	-----------------------------------

III. Oil and Gas Transporters

Transporter OGRID	Transporter Name and Address	POD	O/G	POD ULSTR Location and Description
	Pride Pipeline P. O. Box 3237 Abilene, TX 79604		0	

RECEIVED

MAY 30 1995

IV. Produced Water

* FOD 2814749	* FOD ULSTR Location and Description
------------------	--------------------------------------

V. Well Completion Data

* Spud Date	* Ready Date	* TD	* FBTD	* Perforations
* Hole Size	* Casing & Tubing Size	* Depth Set		* Sacks Cement

VI. Well Test Data

* Date New OQ	* Gas Delivery Date	* Test Date	* Test Length	* Tbg. Pressure	* Csg. Pressure
* Choke Size	* OG	* Water	* Gas	* AOF	* Test Method

* I hereby certify that the rules of Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature: *Cindy R. Keister*

Printed name: Cindy R. Keister

Title: Supervisor Regulatory Compliance

Date: 05/25/95 Phone: (214) 750-3800

OIL CONSERVATION DIVISION
ORIGINAL SIGNED BY TIM W. GUN
DISTRICT II SUPERVISOR

Approved by:

Title:

Approval Date: JUN 2 1995

* If this is a change of operator fill in the OGRID number and name of the previous operator

Previous Operator Signature	Printed Name	Title	Date
-----------------------------	--------------	-------	------

Submit to Appropriate District Office
 State Lease - 6 copies
 Fee Lease - 5 copies
DISTRICT I
 P.O. Box 1980, Hobbs, NM 88240

State of New Mexico
 Energy, Minerals and Natural Resources Department
OIL CONSERVATION DIVISION
 P.O. Box 2088
 Santa Fe, New Mexico 87504-2088

Form C-105
 Revised 1-1-89

DISTRICT II
 P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
 1000 Rio Blanco Rd., Aztec, NM 87410

WELL AP NO.
 30-015-28288

5. Indicate Type of Lease
 STATE PER

6. State Oil & Gas Lease No.
 L6921

7. Lease Name or Unit Agreement Name
 P.J. Delaware
 Murchison 2 State
 50381

8. Well No.
 1

9. Pool name or Wildcat
 Wildcat - Orange

RECEIVED

APR 3 1995

Oil CON DIV
 XX DIST 2

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well:
 OIL WELL GAS WELL DRY OTHER _____

b. Type of Completion:
 NEW WELL WORK OVER DEEPEN PLUG BACK DEEP RESERV OTHER _____

2. Name of Operator
 DALEN Resources Oil & Gas Co.

3. Address of Operator
 6688 N. Central Expwy., Suite 1000, Dallas, TX 75206

4. Well Location
 Unit Letter H : 1980 Feet From The North Line and 660 Feet From The East Line

Section 2 Township 25S Range 26E NMPN APR 3 1995 County _____

10. Date Spudded
 01/20/95

11. Date T.D. Reached
 02/08/95

12. Date Compl. (Ready to Prod.)
 03/05/95

13. Elevations (DFA & RKB, RT, GR, etc.)
 3343'

14. Elev. Casingshead

15. Total Depth
 8631'

16. Plug Back T.D.
 5270'

17. If Multiple Compl. How Many Zones?

18. Interval Drilled By
 See Attachment

19. Producing Interval(s), of this completion - Top, Bottom, Name
 5,133' - 5,166' Orange Sand

20. Was Directional Survey Made
 No

21. Type Electric and Other Logs Run
 DIL/Compensated Neutron/Digital Array Acoustic Gamma Ray

22. Was Well Cased
 Yes

23. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT LB/FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
13-3/8"	48	256'	17-1/2"	260sx Class "C"	0
8-5/8"	24	2008'	12-1/4"	400sx Pace Lite "C" + 100sx Class "C"	0
5-1/2"	17	5520'	7-7/8"	470sx Super "C" + 800sx Super "C"	0

24. LINER RECORD

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN

25. TUBING RECORD

SIZE	DEPTH SET	PACKER SET
2-7/8"	5074'	

26. Perforation record (interval, size, and number)
 5,133' - 5,166' 2 SPF 67 Holes

27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
See Attachment	

28. PRODUCTION

Date First Production	Production Method (Flowing, gas lift, pumping - Size and type pump)	Well Status (Prod. or Shut-in)					
03/17/95	Flowing	Prod					
Date of Test	Hours Tested	Choke Size	Prod's For Test Period	Oil - Bbl	Gas - MCF	Water - Bbl	Gas - Oil Ratio
03/29/95	24	16		115	645	70	5607
Flow Tubing From	Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl	Gas - MCF	Water - Bbl	Oil Gravity - API - (Corr.)	
1350			115	645	70	46.2	

29. Disposition of Gas (Sold, used for fuel, vented, etc.)
 Vented during testing

Test Witnessed By

30. List Amendments

31. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief

Signature Cindy R. Keister Printed Name Cindy R. Keister Title Supvr. Regulatory Date 03/31/95

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, Items 25 through 29 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico

Northwestern New Mexico

T. Anhy _____	T. Canyon _____	T. Ojo Alamo _____	T. Perm "B" _____
T. Salt _____	T. Strawn _____	T. Kirtland-Fruitland _____	T. Perm "C" _____
B. Salt _____	T. Atoka _____	T. Pictured Cliffs _____	T. Perm "D" _____
T. Yates _____	T. Miss _____	T. Cliff House _____	T. Leadville _____
T. 7 Rivers _____	T. Devonian _____	T. Menefee _____	T. Madison _____
T. Queen _____	T. Silurian _____	T. Point Lookout _____	T. Elbert _____
T. Grayburg _____	T. Montoya _____	T. Mancos _____	T. McCracken _____
T. San Andres _____	T. Simpson _____	T. Gallup _____	T. Ignacio Ozta _____
T. Glorieta _____	T. McKee _____	Base Greenhorn _____	T. Granite _____
T. Paddock _____	T. Ellenburger _____	T. Dakota _____	T. _____
T. Blinberry _____	T. Gr. Wash _____	T. Morrison _____	T. _____
T. Tabb _____	T. Delaware Sand 2016'	T. Todilto _____	T. _____
T. Drinkard _____	T. Bone Springs 5439'	T. Entrada _____	T. _____
T. Abo _____	T. Lamar 1950'	T. Wingate _____	T. _____
T. Wolfcamp 8518	T. _____	T. Chinle _____	T. _____
T. Perm _____	T. _____	T. Permian _____	T. _____
T. Cisco (Bough C) _____	T. _____	T. Perm "A" _____	T. _____

OIL OR GAS SANDS OR ZONES

No. 1, from.....to..... No. 3, from.....to.....
 No. 2, from.....to..... No. 4, from.....to.....

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from.....to..... feet.....
 No. 2, from.....to..... feet.....
 No. 3, from.....to..... feet.....

LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness in Feet	Lithology	From	To	Thickness in Feet	Lithology
See attached mud log.							

Form C-105 Attachment
Murchison 2 State No. 1

No. 27 ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.

<u>Depth Interval</u>	<u>Amount and Kind of Material Used</u>
8531' - 8631'	100' cmt plug - 40sx Super "C" cmt - Tagged
6332' - 6432'	100' cmt plug - 50sx Super "C" cmt - Tagged
5530' - 5730'	200' cmt plug - 50sx Super "C" cmt - Tagged
5306' - 5316'	2000 gals NEFE HCl w/60 ball sealers
CIPB @5295'	dumped 25' cmt on top
5133' - 5166'	2000 gals 7-1/2% NEFE HCl with additives + 100 7/8" frac balls Fracture stimulated with 74,000# 16/30 sand in gel

Dalen Resources
Murchison St. 2 #1
Eddy County, NM

STATE OF NEW MEXICO
DEVIATION REPORT

257	1/2	7,500	4-1/2
497	1	7,532	3-3/4
745	1-3/4	7,564	3-1/2
931	1-1/4	7,624	2-1/2
1,178	1-1/4	7,770	2-1/4
1,394	2-1/2	7,785	2-1/4
1,457	3-1/4	7,846	2
1,520	3-1/2	7,969	1-3/4
1,551	3-1/4	8,123	1-1/4
1,582	2-3/4	8,402	1/2
1,613	2-3/4	8,631	1/2
1,674	3		
1,706	2-3/4		
1,768	2-3/4		
1,799	2-1/2		
1,829	1-3/4		
1,860	1-1/4		
2,008	3/4		
2,491	1/4		
2,960	1/4		
3,458	1-1/4		
3,706	1		
4,202	1-1/2		
4,701	3/4		
5,201	1-1/2		
5,367	1-1/4		
5,852	3/4		
6,348	2-1/2		
6,442	2-1/2		
6,536	2		
6,628	2		
6,722	1-1/4		
7,034	1		

Ray Peterson

By: Ray Peterson

STATE OF TEXAS

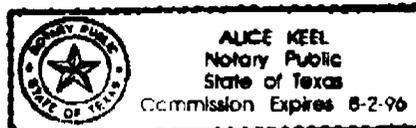
COUNTY OF MIDLAND

The foregoing instrument was acknowledged before me
this 13th day of February, 1995, by RAY PETERSON
on behalf of PETERSON DRILLING COMPANY.

Alice Keel

Notary Public for Midland
County, Texas

My Commission Expires: 8/2/96



qsf

district I
 > Box 1900, Hobbs, NM 88241-1900
 district II
 > Drawer DD, Artesia, NM 88211-0719
 district III
 60 Rio Bruma Rd., Aztec, NM 87410
 district IV
 > Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
 Energy, Minerals & Natural Resources Department

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Form C-104
 Revised February 10, 1994
 Instructions on back
 Submit to Appropriate District Office
 5 Copies

OIL CONSERVATION DIVISION
 PO Box 2088
 Santa Fe, NM 87504-2088

MAR 15 1995

OIL CON. DIV.
 DIST. 2
 AMENDED REPORT

REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

Operator name and Address DALEN Resources Oil & Gas Co. 6688 N. Central Expwy., Suite 1000 Dallas, TX 75206		OCRID Number 016751
		Reason for Filing Code RT 1500 bbls

API Number 30-015-28288	Pool Name Wildcat; Delaware	Pool Code 96038
Property Code 16422	Property Name Murchison 2 State	Well Number 1

10 Surface Location

Well or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South Line	Feet from the	East/West line	County
H	2	25N	26E		1980	North	660	East	Eddy

11 Bottom Hole Location

Well or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Lea Code P	Producing Method Code F	Gas Connection Date	C-129 Permit Number	C-129 Effective Date	C-129 Expiration Date
---------------	----------------------------	---------------------	---------------------	----------------------	-----------------------

I. Oil and Gas Transporters

Transporter OCRIID	Transporter Name and Address	POD	O/G	POD ULSTR Location and Description
38648	AMOCO PIPELINE ICT Attn: Mike Stansifer 502 N. West Ave. Levelland, TX 79336		0	

J. Produced Water

POD	POD ULSTR Location and Description

Well Completion Data

Spud Date	Ready Date	TD	PSTD	Perforances
01/20/95		8631'	5270'	5,133' - 66'
Well Size	Casing & Tubing Size	Depth Set	Sacks Cement	
17-1/2"	13-3/8"	256'	260sx Class "C"	
12-1/4"	8-5/8"	2008'	500sx Class "C"	
7-7/8"	5-1/2"	5520'	1270sx Class "C"	

I. Well Test Data

" Date New Oil	" Gas Delivery Date	" Test Date	" Test Length	" Tbg. Pressure	" Csg. Pressure
" Choke Size	" Oil	" Water	" Gas	" AOF	" Test Method

I hereby certify that the rules and regulations of the Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature: *Cindy R. Keister*
Printed name: **Cindy R. Keister**

Title: **Supervisor Regulatory Compliance**
Date: **03/14/95** Phone: **(214) 750-3800**

OIL CONSERVATION DIVISION

Approved by: **ORIGINAL SIGNED BY TIM W. GUM**
DISTRICT II SUPERVISOR

Title:

Approval Date: **MAR 30 1995**

If this is a change of operator fill in the OGRID number and name of the previous operator

Previous Operator Signature	Printed Name	Title	Date
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CONFIDENTIAL

DALEN Resources
Oil & Gas Co.

March 13, 1995

RECEIVED

MAR 14 1995

OIL CON. DIV.
DIST. 2



Mr. M. B. Williams
State of New Mexico
Oil and Gas Division
Drawer D
Artesia, New Mexico 88210

RE: DALEN Resources Oil & Gas Co.
No. 1 Murchison 2
Eddy Co., New Mexico

Dear Mr. Williams:

DALEN Resources Oil & Gas Co. initiated the drilling of the subject well on January 20, 1995 and released the drilling rig February 12, 1995 after reaching a total depth of 8,631'. Conventional logs, an MRI log, and sidewall cores determined that our lowest zone, the Bone Spring, was too tight to produce economically. Consequently, three open hole plugs were set and casing was run to 5,520'.

After perforating and acidizing, the first Bushy Canyon completion (5,306'-16') tested tight and very wet. The second attempt (5,133' to 66') is more encouraging and was fractured on March 3, 1995. This interval was flowed only to the point of recovering most of the frac fluid. We are currently installing the surface equipment required for sustained production.

DALEN Resources requests permission to flow the well prior the installation of a gas sales pipeline. We need to establish the size of the reservoir and accurately measure the GOR (expected to be around 2,000 SCF/BBL) and other fluid properties prior to moving ahead with our offset plans. Flowing the well prior to pipeline installation will accelerate the offset drilling.

To determine the quality of the reservoir we will need to temporarily flow the well above the 107 BOPD allowable. DALEN Resources also requests to flow above the allowable, but no greater than 500 BOPD. DALEN Resources considers all information about the Murchison well confidential and asks that the State of New Mexico treat this information the same way. We do understand that once a discovery allowable is filed for and a hearing is set that this information will become public. Please feel free to call me with any questions related to our new well.

Sincerely,

Eric F. Hadsell
Senior Petroleum Engineer