STEVENS & TULL, Inc.

ENGINEERING REPORT

DK #6

JESSE LAWSON
Petroleum Engineer

DK #6 was spudded on September 7, 1997, the well reached a total depth of 7,830' on September 24, 1997. The DK #6 was drilled as an Abo test. There is Abo production in the offsetting sections with cumulative production ranging from 40 to over 100 MBO and 86 to over 980 MMCF of gas. This same field has offsetting Blinebry, Tubb and Drinkard production. Drilling time varies from 10 to 20 days depending on the target formation, type of drilling rig and hole geometry. Mechanically there is little risk in drilling in the DK Field area, since the formations are basically flat with the four formations pancaked on top of each other and without any steeply dipping beds or high angle faults. There are sufficient wells in the area that have penetrated the target formations that would have identified any abnormal drilling problems.

AFE economics for the DK #6 is calculated on recovering 100 MB of oil and 1 BCF of gas from the wellbore. Based on $18.50 oil and $2.00 gas the well will payout in less than two years with a P/I ratio of 4.97%. The DK #6 was AFE'ed for $456,000. This AFE amount is comparable to the actual costs of drilling the DK #5.

-- RESERVE & ECONOMIC REPORT --

PREPARED BY --------	JESSE LAWSON	COMB NAME	COMB35	CATEGORY -	PDP
INTEREST OWNER -----	STEVENS & TULL Inc.	FILE NAME	DK6	COUNTY ---	LEA
WELL &/OR LEASE ----	DK #6	EVAL. DATE	22-Oct-97	STATE ----	NM
FIELD OR RESERVOIR -	ABO	EFFECTIVE DATE	NOV-97	OPERATOR -	STEVENS & TULL Inc.

YEAR	GROSS PROD. OIL-BBLS	GROSS PROD. GAS-MCF	NET PROD OIL-BBLS	NET PROD GAS-MCF	PRICE OIL-$	PRICE GAS-$	NET OPERATING REVENUE OIL REVENUE-$	NET OPERATING REVENUE GAS REVENUE-$	NET OPERATING REVENUE TOTAL REVENUE-$	NET OPERATING EXPENSES DIR & INDIR OPR EXP-$	NET OPERATING EXPENSES SEV & ADV & TRANSP-	NET OPERATING EXPENSES TOTAL EXPENSES-$
	EXPONENTIAL DECLINE											
1997	2050	19478	1538	14608	$18.50	$2.00	$28,448	$29,216	$57,664	$3,200	$4,961	$8,161
1998	11574	109949	8680	82462	18.50	2.00	160,583	164,923	325,507	19,392	28,005	47,397
1999	10416	98954	7812	74216	18.50	2.00	144,525	148,431	292,956	19,586	25,204	44,790
2000	9375	89059	7031	66794	18.50	2.00	130,073	133,588	263,661	19,782	22,684	42,466
2001	8437	80153	6328	60115	18.50	2.00	117,065	120,229	237,295	19,980	20,416	40,395
2002	7593	72138	5695	54103	18.50	2.00	105,359	108,206	213,565	20,179	18,374	38,553
2003	6834	64924	5126	48693	18.50	2.00	94,823	97,386	192,209	20,381	16,537	36,918
2004	6151	58432	4613	43824	18.50	2.00	85,341	87,647	172,988	20,585	14,883	35,468
2005	5536	52588	4152	39441	18.50	2.00	76,807	78,883	155,689	20,791	13,395	34,186
2006	4982	47330	3737	35497	18.50	2.00	69,126	70,994	140,121	20,999	12,055	33,054
2007	4484	42597	3363	31948	18.50	2.00	62,214	63,895	126,109	21,209	10,850	32,058
2008	4035	38337	3027	28753	18.50	2.00	55,992	57,506	113,498	21,421	9,765	31,186
S-TOT	81467	773937	61100	580453	WT.	WT.	1,130,356	1,160,906	2,291,262	227,504	197,128	424,632
REM.	27088	257333	20316	193000	AVG.	AVG.	375,842	386,000	761,842	298,765	65,545	364,310
TOTAL	108555	1031270	81416	773453	$18.50	$2.00	1,506,198	1,546,906	3,053,103	526,269	262,673	788,942

YEAR	OPERATING CASH FLOW-$	CAPITAL INVEST-$	ANNUAL INT. 1000-$	PRIN. PAYMENT 1000-$	CASH FLOW BTAX-$	CUM. CASH FLOW BTAX-$	OPR CASH FLOW AFTER DEBT REDUCTION
1997	$49,503	$456,000	0.0	0.0	($406,497)	($406,497)	$49,503
1998	278,110	0	0.0	0.0	$278,110	(128,387)	278,110
1999	248,166	0	0.0	0.0	$248,166	119,779	248,166
2000	221,195	0	0.0	0.0	$221,195	340,974	221,195
2001	196,900	0	0.0	0.0	$196,900	537,873	196,900
2002	175,012		0.0	0.0	175,012	712,885	175,012
2003	155,291		0.0	0.0	155,291	868,176	155,291
2004	137,520		0.0	0.0	137,520	1,005,697	137,520
2005	121,504		0.0	0.0	121,504	1,127,200	121,504
2006	107,067		0.0	0.0	107,067	1,234,267	107,067
2007	94,050		0.0	0.0	94,050	1,328,317	94,050
2008	82,312		0.0	0.0	82,312	1,410,630	82,312
S-TOT	1,866,630	456,000	0.0	0.0	1,410,630	1,410,630	1,866,630
REM.	397,531	0	0.0	0.0	397,531	397,531	397,531
TOTAL	2,264,161	456,000	0.0	0.0	1,808,161	1,808,161	2,264,161

---PRESENT WORTH PROFILE------

Based On Mid-Year Discounting

DISC RATE-%	NPV BTAX-$	DISC RATE-%	NPV BTAX-$
2	1,521,714	40	$46,689
5	1,193,144	45	(2,285)
8	948,836	50	(43,045)
10	819,046	55	(77,453)
12	709,206	60	(106,854)
15	573,324	65	(132,244)
18	463,721	70	(154,371)
20	401,870	75	(173,812)
25	276,423	80	(191,015)
30	181,127	85	(206,338)
35	106,528	90	(220,063)

BEFORE TAX SUMMARY

MONTHS IN 1st YEAR -----	2
ECO LIFE --------- YEARS	24.17
NPV @ SELECT RATE- 10.0%	$819,046
NET INCOME/INVEST ------	4.97
INT RATE RETURN - Mid-Yr	44.7%
PAYOUT ------------- YRS	1.68
$ PER NET INIT PROD RATE	$17,882
8/8 OIL RES -------- BBL	108,555
8/8 GAS RES -------- MCF	1,031,270
NET OIL RES -------- BBL	81,416
NET GAS RES -------- MCF	773,453
ULT OIL RECOV ------ BBL	108,555
ULT GAS RECOV ------ MCF	1,031,270

NET COST/BOE ----- $/BOE	$2.17	ULT OIL RECOV/ACRE ---- BBL	2,714
NET RETURN/BOE --- $/BOE	$8.60	ULT GAS RECOV/ACRE ---- MCF	25,782
NET INCOME/BOE --- $/BOE	$10.77	ULT OIL RECOV/ACRE-FT-- BBL	14
OIL ECO RATE -- BBL/DAY	2.8	ULT GAS RECOV/ACRE-FT-- MCF	129
GAS ECO RATE -- MCF/DAY	26.7	INITAL W.I. ------------- %	100.00000
INIT PROD RAT-- BBL/DAY	34	FINAL W.I. -------------- %	100.00000
DECLINE RATE -------- %	10.0	INITAL REVENUE INT. ----- %	75.00000
EXPONENT - N ---------	0.0	FINAL REVENUE INT. ------ %	75.00000
PROD. RISK FACTOR ---- %	100.00	TANG & EQUIP RISK FACTOR- %	100.00
LSEHOLD RISK FACTOR -- %	100.00	IDC RISK FACTOR --------- %	100.00

PREPARED BY	JESSE LAWSON ENTER ALL ENTER ALL DATA,
INTEREST OWNER	STEVENS & TULL Inc PRESS REPRESS RETURN.
WELL &/OR LEASE NAME	DK #6
FIELD &/OR RESERVOIR	ABO
COUNTY OR PARISH	LEA *EFF DATE (mmm-yy) NOV-97
(2 CAP LETTERS) STATE	NM EVALUATION DATE 22-Oct-97
OPERATOR' NAME	STEVENS & TULL Inc.
PROJ COMB NAME -(COMB#)	COMB35 * Required IF to be SAVED and COMBINED
PROJ SAVE FILE NAME	DK6 * Unique name required to SAVE.
	EXPONENTIAL DECLINE

NO OF WELLS (1 or more)*	1	RESERVE CATEGORY: PDP				
OIL WELL PROD - bbl/DAY	34	REMARKS BELOW:				
G O R -- Mcf/bbl	9.50					
GAS WELL PROD - Mcf/DAY	0					
CONDENSATE - bbl/MMcf	0.00					
EXPONENT -N- DECIMAL	0.00					
Eff. DECLINE RATE - - %	10.00					
YEARS OF CONSTANT PROD	0					
SET ECO LIMIT 1=YES 0=NO	0					
ECO RATE bbl OR Mcf/DAY	0					
MAX YEARS TO CALC (4-30)	30		INVEST	INVEST	INVEST	INVEST
INPUT OF ECONOMIC DATA			2nd YR	3rd YR	4th YR	5th YR
IDC & OTHER EXP - $	332600					
TANG & LSE EQUIP - $	123400					
LSEHOLD COST - $	0	INITAL W.I. OWNED - %				100.0000
DIR OPR EXP/WELL - $/YR	19200	INITAL REVENUE INTEREST - %				75.0000
DIR OPR EXP ESC --- %	1.00	FINAL W.I. OWNED - %				100.0000
YEAR NO. TO START ESC	2	FINAL REVENUE INTEREST - %				75.0000
INDIR OPR EXP- % NET REV		ACTIVATOR FOR REVERSION				0
SEV TAX - % NET OIL REV	8.17	0 FOR NO REVERSION				*********
SEV TAX - % NET GAS REV	9.02	1 FOR GROSS INCOME			$	0
SEV TAX GAS - $/Mcf	0.00	2 FOR NET INCOME				*********
ADV TAX - % OF NET REV	0.00	OIL PRICE - $/BBL				18.50
LOAN PRINCIPAL - $	0	OIL PRICE ESC - %				0.00
ANNUAL INTEREST RATE %	0.00	OIL ESC START YEAR NO.				0
TERM 0=FIX 1=DEDICATED	0	MAX OIL PRICE - $/BBL				18.50
TOTAL NO. MONTHS (FIX)	0	GAS PRICE - $/MCF				2.00
DEDICATION OF TOT REV %	0.00	GAS PRICE ESC - %				0.00
CUMULATIVE PROD - bbl	0	GAS ESC START YEAR NO.				0
CUMULATIVE PROD - Mcf	0	MAX GAS PRICE - $/MCF				2.00
ASSIGNED ACRES / WELL	40	SELECT DISCOUNT RATE -%				10.00
AVERAGE THICKNESS - FT.	200	MID-YEAR =1 YEAR-END=0				1
NET PROFIT INTEREST - %	0.00	BOE FACTOR				6.00
TRANSPORTATION - $/bbl	$0.00	FED INCOME TAX RATE - %				0.00
TRANSPORTATION - $/Mcf	$0.00	STATE INCOME TAX RATE - %				0.00
PCT DEPLETION RATE - %	0.00	RECOVERY PERIOD (5, 7, 10)				10
DEPL LIMITATION OF NET-%	100.00	DEPR METHOD (1.0, 1.5, 2.0)				100%
SEC 29 TAX CREDIT- $/Mcf	0.00	MID-PERIOD CONVENTION CODE				0
SALVAGE - %	0.00	LOSS CARRY FWD (1=ON 2=OFF)				0
PROD. RISK FACTOR ---- %	100.00	IDC RISK FACTOR --------- %				100.00
LSEHOLD RISK FACTOR -- %	100.00	TANG & EQUIP RISK FACTOR - %				100.00

OIL ____ GAS - - - WELLS +++
300253079306660
KYTE 001
BLINEBRY OIL AND GAS (OIL)
STEVENS & TULL INC
LEA CO., NM
10000
1000
GAS-mcf
OIL-bbl
100
10
86 87 88 89 90 91 92 93 94 95 96 97 98 99 00 01 02 03 04 05
OIL
Qal=DEFAULT
Ref= 10/97
Cum= 59.029
Rem= 94.539
EUR= 153.568
Yrs= 92.333
Qi= 588.2
De= 7.187
n= .000
Qab= 6
GAS
Qal=DEFAULT
Ref= 10/97
Cum= 206.544
Rem= 246.070
EUR= 452.614
Yrs= 50.917
Qi= 2176.7
De= 10.027
n= .000
Qab= 10.0
STEVENS & TULL
MAJOR OIL
1st PROD 9008
10/01/97
SEQNUM 33

KYTE 001 STEVENS & TULL DEVELOPMENT, LLC DATE : 10/02/97
BLINEBRY OIL AND GAS (OIL) TIME : 10:20:02
LEA CO., NM RESERVES AND ECONOMICS DBS FILE : STEV_TUL
'ENS & TULL INC SETUP FILE : STEV_TUL
SEQ NUMBER : 33.

EVALUATION OF AS OF DATE 10/97
NEW - COMBINED S&T DEVL, LLC

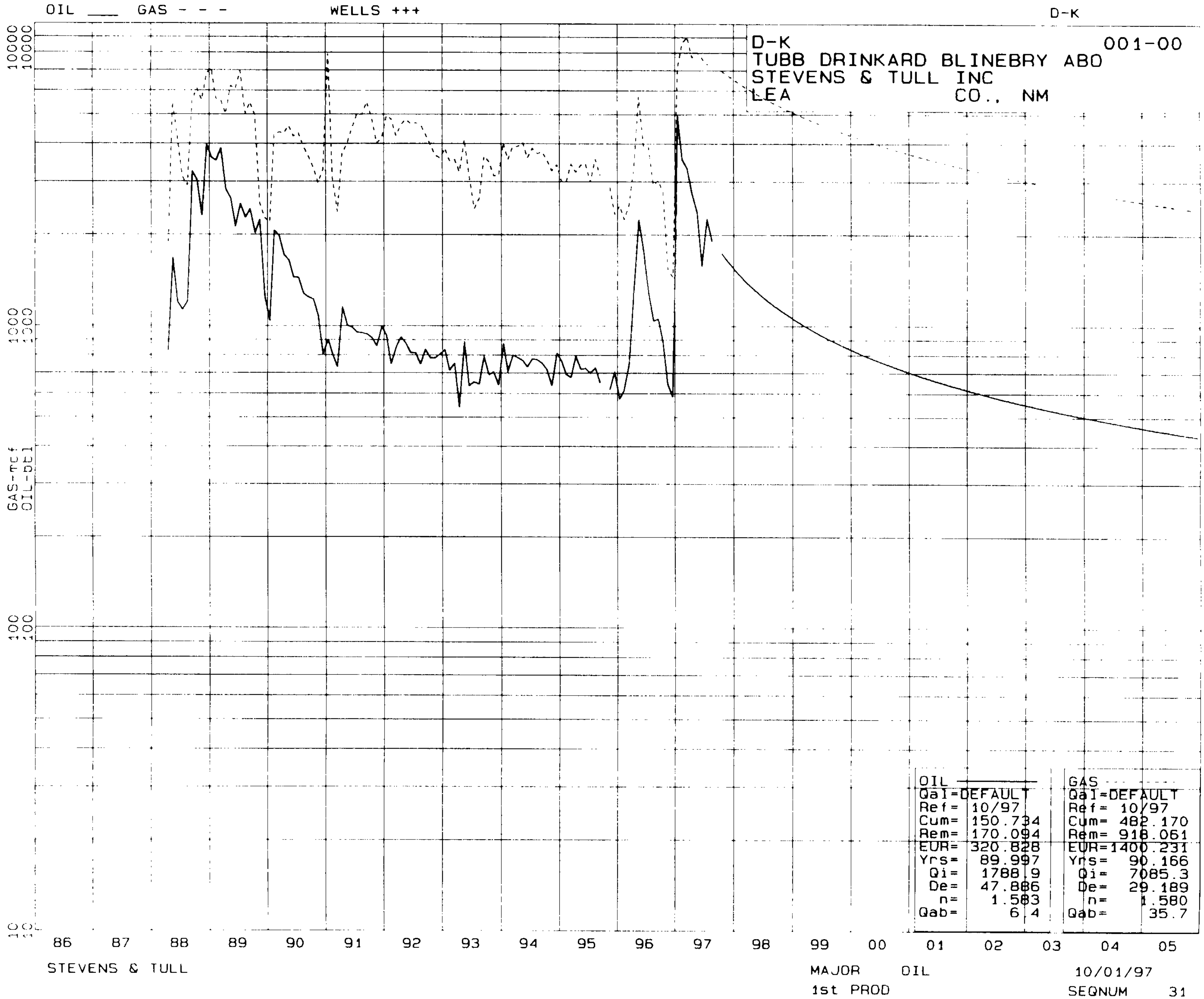
-END- MO-YR	WELLS	GROSS PRODUCTION OIL, MBBL	GROSS PRODUCTION GAS, MMCF	NET PRODUCTION OIL, MBBL	NET PRODUCTION GAS, MMCF	NET PRODUCTION MBOE, 10:1	PRICES OIL $/B	PRICES GAS $/M	NET SALES OIL, M$	NET SALES GAS, M$	NET SALES TOTAL, M$
10-97	1.0	.586	2.167	.440	1.625	.602	18.500	2.704	8.136	4.395	12.530
11-97	1.0	.583	2.148	.437	1.611	.598	18.500	2.704	8.085	4.356	12.441
12-97	1.0	.579	2.129	.434	1.597	.594	18.500	2.704	8.035	4.318	12.353
1-98	1.0	.576	2.111	.432	1.583	.590	18.500	2.704	7.986	4.280	12.266
2-98	1.0	.572	2.092	.429	1.569	.586	18.500	2.704	7.936	4.242	12.179
3-98	1.0	.568	2.074	.426	1.555	.582	18.500	2.704	7.887	4.205	12.092
4-98	1.0	.565	2.056	.424	1.542	.578	18.500	2.704	7.838	4.168	12.006
5-98	1.0	.561	2.038	.421	1.528	.574	18.500	2.704	7.789	4.132	11.921
6-98	1.0	.558	2.020	.418	1.515	.570	18.500	2.704	7.741	4.096	11.837
7-98	1.0	.554	2.002	.416	1.502	.566	18.500	2.704	7.693	4.060	11.753
8-98	1.0	.551	1.984	.413	1.488	.562	18.500	2.704	7.646	4.024	11.670
S TOT	1.0	6.254	22.821	4.690	17.116	6.402	18.500	2.704	86.772	46.276	133.049
REM	1.0	64.271	188.762	48.203	141.571	62.360	18.500	2.704	891.759	382.774	1274.533
TOT	1.0	70.525	211.583	52.894	158.687	68.762	18.500	2.704	978.532	429.050	1407.581
CUM		59.029	206.544								
ULT		129.554	418.127								

-END- MO-YR	SEV TAXES M$	NET RUNS M$	AD VAL TAXES M$	NET LOE M$	OPERATING REVENUE M$	CAPITAL COSTS M$	FNR M$	CUM FNR M$	NPV 10.0%	CUM NPV 10.0%	REM NPV
97	.887	11.643	.116	2.500	9.027	.000	9.027	9.027	8.991	8.991	483.169
7	.881	11.561	.116	2.500	8.945	.000	8.945	17.972	8.839	17.830	477.959
12-97	.875	11.479	.115	2.500	8.864	.000	8.864	26.836	8.690	26.520	472.790
1-98	.868	11.397	.114	2.500	8.783	.000	8.783	35.619	8.542	35.062	467.661
2-98	.862	11.316	.113	2.500	8.703	.000	8.703	44.322	8.398	43.460	462.572
3-98	.856	11.236	.112	2.500	8.624	.000	8.624	52.946	8.255	51.715	457.523
4-98	.850	11.156	.112	2.500	8.545	.000	8.545	61.490	8.115	59.829	452.513
5-98	.844	11.077	.111	2.500	8.467	.000	8.467	69.957	7.977	67.806	447.543
6-98	.838	10.999	.110	2.500	8.389	.000	8.389	78.346	7.841	75.648	442.612
7-98	.832	10.921	.109	2.500	8.312	.000	8.312	86.657	7.708	83.355	437.719
8-98	.826	10.844	.108	2.500	8.235	.000	8.235	94.892	7.576	90.931	432.865
S TOT	9.420	123.629	1.236	27.500	94.892	.000	94.892	94.892	90.931	90.931	432.865
REM	90.237	1184.296	11.843	522.500	649.953	.000	649.953	744.846	392.238	483.169	428.048
TOTAL	99.657	1307.925	13.079	550.000	744.846	.000	744.846	744.846	483.169	483.169	.000

	OIL	GAS			DISC RATE	NPV, M$
GROSS WELLS	1.0	.0	RATE OF RETURN, %	100.00	.00	744.846
ULT PROD/WELL	129.6	418.1	PAYOUT, YRS	.00	5.00	587.540
SALES REV, % OF TOT	69.5	30.5	PAYOUT, YRS (DISC)	.00	8.00	520.232
INITIAL NRI %	75.00000	75.00000	PROFIT/INVEST.	.00	10.00	483.169
FINAL NRI %	74.99998	74.99999	PROFIT/INVEST. (DISC)	.00	12.00	451.040
					15.00	410.270
INITIAL WI, %		100.00000	DISCOUNT RATE, %	10.00	20.00	357.112
FINAL WI, %		100.00000	LIFE, YRS	18.33	25.00	316.931
1st OWNERSHIP REVERSION DATE		10/97	PRODUCTION START DATE	10/97	30.00	285.632

QUALIFIERS - PROD: DEFAULT OWNER : TOTAL OTHER : BASE

CODE:300253079306660



OIL ___ GAS - - - WELLS +++
D-K
D-K 001-00
TUBB DRINKARD BLINEBRY ABO
STEVENS & TULL INC
LEA CO., NM
10000
1000
GAS-mcf
OIL-bbl
100
10
86 87 88 89 90 91 92 93 94 95 96 97 98 99 00 01 02 03 04 05
OIL
Qal=DEFAULT
Ref= 10/97
Cum= 150.734
Rem= 170.094
EUR= 320.828
Yrs= 89.997
Qi= 1788.9
De= 47.886
n= 1.583
Qab= 6.4
GAS
Qal=DEFAULT
Ref= 10/97
Cum= 482.170
Rem= 918.061
EUR=1400.231
Yrs= 90.166
Qi= 7085.3
De= 29.189
n= 1.580
Qab= 35.7
STEVENS & TULL
MAJOR OIL
1st PROD
10/01/97
SEQNUM 31

D-K 001-003
TUBB DRINKARD BLINEBRY ABO
LEA CO., NM
VENS & TULL INC

STEVENS & TULL DEVELOPMENT, LLC

RESERVES AND ECONOMICS

DATE : 10/02/97
TIME : 10:19:57
DBS FILE : STEV_TUL
SETUP FILE : STEV_TUL
SEQ NUMBER : 31.

EVALUATION OF
NEW - COMBINED S&T DEVL, LLC

AS OF DATE 10/97

-END- MO-YR	WELLS	GROSS PRODUCTION OIL, MBBL	GROSS PRODUCTION GAS, MMCF	NET PRODUCTION OIL, MBBL	NET PRODUCTION GAS, MMCF	NET PRODUCTION MBOE, 10:1	PRICES OIL $/B	PRICES GAS $/M	NET SALES OIL, M$	NET SALES GAS, M$	NET SALES TOTAL, M$
10-97	5.0	1.742	6.986	1.307	5.239	1.831	18.500	2.100	24.177	11.003	35.180
11-97	5.0	1.657	6.796	1.243	5.097	1.753	18.500	2.100	22.996	10.704	33.700
12-97	5.0	1.582	6.619	1.187	4.964	1.683	18.500	2.100	21.953	10.425	32.378
1-98	5.0	1.515	6.454	1.136	4.840	1.620	18.500	2.100	21.024	10.165	31.189
2-98	5.0	1.455	6.299	1.091	4.724	1.564	18.500	2.100	20.191	9.920	30.111
3-98	5.0	1.401	6.153	1.051	4.614	1.512	18.500	2.100	19.437	9.690	29.128
4-98	5.0	1.352	6.015	1.014	4.511	1.465	18.500	2.100	18.753	9.474	28.226
5-98	5.0	1.306	5.885	.980	4.414	1.421	18.500	2.100	18.127	9.269	27.396
6-98	5.0	1.265	5.762	.949	4.322	1.381	18.500	2.100	17.552	9.076	26.628
7-98	5.0	1.227	5.646	.920	4.234	1.344	18.500	2.100	17.023	8.892	25.915
8-98	5.0	1.192	5.535	.894	4.151	1.309	18.500	2.100	16.532	8.718	25.250
S TOT	5.0	15.695	68.150	11.771	51.112	16.882	18.500	2.100	217.765	107.336	325.101
REM	5.0	100.104	542.870	75.078	407.153	115.793	18.500	2.100	1388.944	855.020	2243.965
TOT	5.0	115.799	611.020	86.849	458.265	132.676	18.500	2.100	1606.709	962.356	2569.066
CUM		150.734	482.170								
ULT		266.533	1093.190								

-END- MO-YR	SEV TAXES M$	NET RUNS M$	AD VAL TAXES M$	NET LOE M$	OPERATING REVENUE M$	CAPITAL COSTS M$	FNR M$	CUM FNR M$	NPV 10.0%	CUM NPV 10.0%	REM NPV
·- 97	2.491	32.689	.327	5.000	27.362	.000	27.362	27.362	27.253	27.253	833.076
›7	2.386	31.314	.313	5.000	26.001	.000	26.001	53.363	25.693	52.946	812.248
12-97	2.292	30.086	.301	5.000	24.785	.000	24.785	78.148	24.298	77.244	792.621
1-98	2.208	28.981	.290	5.000	23.691	.000	23.691	101.839	23.042	100.286	774.057
2-98	2.132	27.979	.280	5.000	22.699	.000	22.699	124.538	21.902	122.188	756.444
3-98	2.062	27.065	.271	5.000	21.795	.000	21.795	146.333	20.863	143.051	739.687
4-98	1.998	26.228	.262	5.000	20.966	.000	20.966	167.299	19.911	162.962	723.704
5-98	1.940	25.456	.255	5.000	20.202	.000	20.202	187.500	19.034	181.996	708.425
6-98	1.885	24.743	.247	5.000	19.495	.000	19.495	206.996	18.223	200.218	693.792
7-98	1.835	24.080	.241	5.000	18.839	.000	18.839	225.835	17.470	217.688	679.752
8-98	1.788	23.463	.235	5.000	18.228	.000	18.228	244.063	16.769	234.457	666.258
S TOT	23.017	302.084	3.021	55.000	244.063	.000	244.063	244.063	234.457	234.457	666.258
REM	158.873	2085.092	20.851	1105.000	959.242	.000	959.242	1203.305	598.618	833.076	653.271
TOTAL	181.890	2387.176	23.872	1160.000	1203.305	.000	1203.305	1203.305	833.076	833.076	.000

	OIL	GAS			DISC RATE	NPV, M$
GROSS WELLS	5.0	.0	RATE OF RETURN, %	100.00	.00	1203.304
ULT PROD/WELL	53.3	218.6	PAYOUT, YRS	.00	5.00	981.087
SALES REV, % OF TOT	62.5	37.5	PAYOUT, YRS (DISC)	.00	8.00	885.766
INITIAL NRI %	75.00000	75.00000	PROFIT/INVEST.	.00	10.00	833.076
FINAL NRI %	74.99998	75.00001	PROFIT/INVEST. (DISC)	.00	12.00	787.214
					15.00	728.670
INITIAL WI, %		100.00000	DISCOUNT RATE, %	10.00	20.00	651.487
FINAL WI, %		100.00000	LIFE, YRS	19.33	25.00	592.211
1st OWNERSHIP REVERSION DATE		10/97	PRODUCTION START DATE	10/97	30.00	545.255

QUALIFIERS - PROD: DEFAULT OWNER : TOTAL OTHER : BASE

'-- CODE:D-K

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

**APPLICATION OF STEVENS & TULL, INC.
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. 11866

CERTIFICATE OF MAILING
AND
COMPLIANCE WITH ORDER R-8054

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

W. Thomas Kellahin, being first duly sworn, hereby certifies that he is an attorney for the Applicant and responsible for notification in this matter and that the notice provisions of Division Rule 1207 (Order R-8054) have been complied with, that Applicant has caused to be conducted a good faith diligent effort to find the correct addresses of all interested parties entitled to receive notice, that on October 1, 1997, he caused to be mailed by certified mail return-receipt requested the attached notice of this hearing and a copy of the first amended application for the above referenced case, at least twenty days prior to the hearing of this case set for October 23, 1997, to the parties shown in said application and as evidenced by the attached copies of return receipt cards and/or receipts of certified mailing, and that pursuant to Division Rule 1207, notice has been given at the correct addresses provided by such rule.

W. Thomas Kellahin

SUBSCRIBED AND SWORN to before me this 22nd day of October , 1997, by W. Thomas Kellahin.

Lynda Kellahin, Notary Public

OFFICIAL SEAL
Lynda Kellahin
NOTARY PUBLIC
STATE OF NEW MEXICO
6/14/2000

BEFORE THE
OIL CONSERVATION COMMISSION
Case No.11866 Exhibit No. 2
Submitted By:
Stevens & Tull, Inc.
Hearing Date: October 23, 1997

KELLAHIN AND KELLAHIN
ATTORNEYS AT LAW
EL PATIO BUILDING
117 NORTH GUADALUPE
POST OFFICE BOX 2265
SANTA FE, NEW MEXICO 87504-2265

W THOMAS KELLAHIN*
*NEW MEXICO BOARD OF LEGAL SPECIALIZATION RECOGNIZED SPECIALIST IN THE AREA OF NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

TELEPHONE (505) 982-4285
TELEFAX (505) 982-2047

October 1, 1997

TO: ALL INTERESTED PARTIES ENTITLED TO NOTICE OF THE HEARING OF THE FOLLOWING NEW MEXICO OIL CONSERVATION DIVISION CASE:

Re: ***Application of Stevens & Tull, Inc. for Compulsory Pooling, Lea County, New Mexico***

On behalf of Stevens & Tull, Inc., please find enclosed our application for an compulsory pooling for its D-K Well No. 6 which has been set for hearing on the New Mexico Oil Conservation Division Examiner's docket now scheduled for October 23, 1997. The hearing will be held at the Division hearing room located in Santa Fe, New Mexico.

As an interest owner who may be affected by this application, we are notifying you of your right to appear at the hearing and participate in this case, including the right to present evidence either in support of or in opposition to the application. Failure to appear at the hearing may preclude you from any involvement in this case at a later date.

Pursuant to the Division's Memorandum 2-90, you are further notified that if you desire to appear in this case, then you are requested to file a Pre-Hearing Statement with the Division not later than 4:00 PM on Friday, October 17, 1997, with a copy delivered to the undersigned.

Very truly yours,

W. Thomas Kellahin

<u>cc:</u> <u>BY CERTIFIED MAIL-RETURN RECEIPT REQUESTED</u>
to all parties listed in application

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

...can return this ...e does not ...e number. ...d the date

Stevens & Tull, Inc.
D-K Well No. 6
October 23, 1997
10/1/97

3. Article Addressed to:

Michael T. Morgan
306 W. Wall, Suite 700
Midland, Texas 79701

4a. Article Number
P 334 797 028

4b. Service Type
☐ Registered ☐ Certified
☐ Express Mail ☐ Insured
☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery
10-6-97

5. Received By: (Print Name)

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

6. Signature: (Addressee or Agent)
X

PS Form 3811, December 1994 — Domestic Return Receipt

Is your RETURN ADDRESS completed on the reverse side?

Thank you for using Return Receipt Service.

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

...we can return this ...ice does not ...cle number. ...nd the date

Stevens & Tull, Inc.
D-K Well No. 6
October 23, 1997
10/1/97

3. Article Addressed to:

James R. Leeton, Jr.
P.O. Box 10561
Midland, Texas 79702

4a. Article Number
P 551 305 269

4b. Service Type
☐ Registered ☐ Certified
☐ Express Mail ☐ Insured
☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery
10-6-97

5. Received By: (Print Name)

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

6. Signature: (Addressee or Agent)
X

PS Form 3811, December 1994 — Domestic Return Receipt

Is your RETURN ADDRESS completed on the reverse side?

P 334 797 028

US Postal Service
Receipt for Certified Mail
No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

Michael T. Morgan
306 W. Wall, Suite 700
Midland, Texas 79701

Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom...	

...ril 1995

Stevens & Tull, Inc.
D-K Well No. 6
October 23, 1997
10/1/97

P 551 305 269

US Postal Service
Receipt for Certified Mail
No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

James R. Leeton, Jr.
P.O. Box 10561
Midland, Texas 79702

Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
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...ril 1995

Stevens & Tull, Inc.
D-K Well No. 6
October 23, 1997
10/1/97