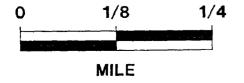
COURTMAN 4 STATE NO.1 1980' FNL AND 1980' FEL LOTS 1-4, S/2 N/2 SECTION 4, T19S-R28E EDDY COUNTY, NEW MEXICO

STATE LEASE NO. 648-74	STATE LEASE NO. 648-145	STATE LEASE NO.OG-605-1
MARATHON 42.95% YATES 50.00% OIL ENRON 5.4875% READ 8 S78125% BARTON .78125% MESA 50% GAS	MARATHON 50.936 % ARCO 25.00% YATES 9.02778% DREYFUS 7.986 % ENRON 5.4875% READ 8. .78 25% BARTON .78 25%	MARATHON 35.13750% MARALO 7.8125% ENRON 5.4875% READ & STEVENS .78125% BARTON .78125% LOWE PARTNERS,LP 25.00% MRL PARTNERS,LP 12.50% L.R.FRENCH,JR. 12.50%
		O LOCATION

PLAT OF WORKING INTEREST OWNERSHIP FROM 3,500' TO 11,152'



MARATHON OIL COMPANY MID-CONTINENT REGION

Submitted By:

Marathon Oil Company
Hearing Date: December 4, 1997

T.ROBERTSON 12/97

COURTMAN 4 STATE NO. 1

Lots 1-4, S/2 N/2 Section 4, T-19-S, R-28-E Eddy County, New Mexico

Summary of Working Interest Owners, Interests in Proposed
Spacing Unit and Status of Participation

STATUS	W.I. OWNERS	SPACING UNIT/INTERESTS
AP	Marathon Oil Company P. O. Box 552 Midland, TX 79702-0552	41.04392%
N	Maralo, Inc. Lowe Partners, LP MRL Partners, LP L. R. French, Jr. 5151 San Felipe St., Ste. 400 Houston, TX 77056-3607	28.88472%
A	Atlantic Richfield Company P. O. Box 1610 Midland, TX 79702-1610	6.25233%
E	Mesa Oil Company P. O. Box 428 Artesia, NM 88201-0428	12.51397% Gas Only
P	Yates Petroleum Corporation 105 S. Fourth St. Artesia, NM 88210	12.51397% Oil Only 2.25779% Oil & Gas
N	Enron Oil & Gas Company P. O. Box 2267 Midland, TX 79702-2267	5.48750%
N	Louis Dreyfus Natural Gas Corporation 14000 Quail Springs Prkwy., Ste. 600 Oklahoma City, OK 73134	1.99727%
P	Read & Stevens, Inc. P. O. Box 1518 Roswell, NM 88202-1518	0.78125%
P	Roy G. Barton, Jr., Trustee Roy G. Barton, Sr. and Opal Barton Revocable Trust P. O. Box 978 Hobbs, NM 88240-0978	0.78125%

STATUS LEGEND

E = Corporate Charter Expired 1975 N = No Agreement in Writing

AP = Applicant

P = Participating in Well

A = Agreement to Farmout or Sell Interest

BEFORE THE OIL CONSERVATION COMMISSION

Marathon Oil Company
Hearing Date: December 4, 1997

COURTMAN 4 STATE NO. 1

Lots 1-4, S/2 N/2 Section 4, T-19-S, R-28-E, Eddy County, New Mexico

SUMMARY OF CONTACTS WITH WORKING INTEREST OWNERS TO BE POOLED

MARALO, INC., et al - Contact: Mr. Richard Gill\Mr. Joe Pulido

9/16/97 - Maralo received Well Proposal

- Spoke to Richard: He said he would work with us.

9/23/97 - Sent Operating Agreement to Maralo

9/26/97 - Richard said they had no decision yet

10/7/97 - Still no decision

10/15/97 - No final decision yet; they will probably farmout

10/22/97 - Still no decision; told him we will file FP next week

10/27/97 - Joe said they will give us a deal. He is waiting on approval.

11/4/97 - Joe said they will give Marathon a Term Assignment. MOC learns of the interests of Erma Lowe, MRL Partners & L. R. French, Jr.

11/5/97 - Joe says Maralo speaks for these three parties.

11/7/97 - Joe says to send Letter Agreement for Term Assignment.

11/12/97 - Sent Letter Agreement to Maralo.

11/26/97 - Joe requests changes to Letter Agreement - MOC learns of Lowe Partners' interest

12/1/97 - New Letter Agreement sent

ENRON - Contact: Mr. Pat Tower

9/9/97 - Enron received Well Proposal

9/22/97 - Enron wants to go non-consent under pooling order; I ask for Term Assignment

9/23/97 - Sent Enron Operating Agreement

9/26/97 - Left message

10/7/97 - Pat says no decision yet

10/14/97 - Pat says they will go non-consent to pooling order; not interested in making deal unless they are the only party to be pooled.

10/30/97 - Same as above.

11/18/97 - Same as above.

DREYFUS - Commun. Mr. Rusty Waters

9/10/97 - Dreyfus received Well Proposal

9/23/97 - Sent Operating Agreement to Dreyfus

9/26/97 - Rusty says no decision yet

10/7/97 - Still no decision

10/13/97 - Dreyfus proposes acreage trade; MOC sends letter outlining trade

10/20/97 - Dreyfus wants to change acreage in trade

10/21/97 - Marathon sent Letter Agreement w/Term Assignment to Dreyfus

11/4/97 - Rusty says Assignment is in line to be signed

11/11/97 - Rusty says Assignment should be signed soon.

11/20/97 - Rusty will check on Assignments

BEFORE THE OIL CONSERVATION COMMISSION

Case No.11883 Exhibit No.______

Marathon Oil Company Hearing Date: December 4, 1997

MESA - No contact established

9/8/97 - Well proposal sent to Mesa

9/18/97 - Marathon informed by contractor, Mesa's interest was assigned to Yates Petroleum

9/23/97 - Sent out Operating Agreement to other working interest owners

9/29/97 - Marathon receives undelivered well proposal from Postal Service marked "unclaimed"

10/31/97 - Title Attorney notified Marathon that Mesa retained gas rights

11/3/97 - Call Corporation Commission; they indicate that Mesa's Corporate charter expired in 1975

11/4/97 - Requested copies of Corporation Commission files on Mesa

11/10/97 - Received copy of Corporation Commission file on Mesa

TBR;mmc'

Updated: December 1, 1997

COURTMAN 4 STATE NO. 1 Lots 1-4, S/2 N/2 Section 4, T-19-S, R-28-E, Eddy County, New Mexico

SUMMARY OF OPERATING AGREEMENT OVERHEAD RATES IN T-18-S, R-28-E, N.M.P.M., EDDY COUNTY, NEW MEXICO

- 1. Operating Agreement dated February 6, 1997, Mewbourne Oil Company, Operator, and Marathon Oil Company, et al, Non-Operators, covering S/2 Section 34, T-18-S, R-28-E. Fixed Overhead rates of \$6,000 for drilling wells and \$600 for producing wells. Executed by Marathon on March 27, 1997.
- 2. Operating Agreement dated November 1, 1996, InterCoast Oil and Gas Company, Operator, and Marathon Oil Company, et al, Non-Operators, covering S/2 of Section 21, T-18-S, R-28-E. Fixed Overhead rates of \$5,828 for drilling wells and \$546 for producing wells. Executed by Marathon on February 19, 1997.

BEFORE THE
OIL CONSERVATION COMMISSION
Case No.11883 Exhibit No.
Submitted By:
Marathon Oil Company
Hearing Date: December 4, 1997

Mid-Continent Region Production United States



September 8, 1997

P.O. Box 552 Midland, TX 79702-0552 Telephone 915/682-1626

CERTIFIED MAIL & RETURN RECEIPT REQUESTED

WORKING INTEREST OWNERS (Addressee List Attached)

Re:

Well Proposal - Courtman 4 State No. 1 Lots 1-4, S/2 N/2 Section 4, T-19-S, R-28-E, N.M.P.M., Eddy County, New Mexico

Gentlemen:

Marathon Oil Company (Marathon), as Operator, hereby proposes the drilling of a well to a depth sufficient to adequately test the Morrow formation, anticipated total depth being 11,200'. Furthermore, Marathon shall evaluate to its satisfaction, all other formations encountered at lesser depths in the drilling of said well. Lots 1-4, S/2 N/2 of the captioned Section 4 will be dedicated as the proration unit for the well.

The above well will be located at a legal location in the NE/4 of Section 4, T-19-S, R-28-E, Eddy County, New Mexico. An AFE is enclosed for your review. Should you desire to participate to the full extent of your interest in the drilling of this proposed well, please return an executed copy of the AFE to the undersigned at your earliest convenience.

A Joint Operating Agreement will be provided for your review and execution upon receipt of the executed AFE, or by prior written request.

In the cycht you do not wish to participate, Marathon respectfully requests you elect one of the following options as to your interest:

- 1. Sell a two wear term assignment of all of your right, title and interest in Lots 1-4, S/2 N/2 of Section 4, subject to title approval, for \$250 per net acre, delivering an 80% net revenue interest to Marathon.
- 2. Farmout all of your interest in the Lots 1-4, S/2 N/2 of Section 4 for a period of one hundred-eighty (180) days to Marathon under the following general terms:
 - (a) If any well drilled, deepened, completed or recompleted under the terms of our Farmout Agreement results in oil and/or gas production on a proration unit that includes your acreage, Marathon will earn an assignment of 100% of your rights and interest, free of any liens or encumbrances, in the proration unit assigned to each well from a depth of 500'

Courtman 4 State No. 1 September 8, 1997 Page -2-

below the top of the San Andres formation to a depth of 100' below the total depth drilled for each well, not to exceed the base of the Morrow formation.

- (b) Upon completion of the initial test well as a producer or dry hole, Marathon would have the recurring option, but not the obligation, to commence additional wells on New Mexico Oil Conservation approved proration units that include your acreage to establish oil and/or gas production under the captioned lands or land pooled therewith. If any such option is exercised, Marathon agrees to allow not more than 180 days to elapse between the completion of one well and the commencement of operations for any next well.
- (c) You will retain an overriding royalty interest equal to the difference, if any, between 25% of all oil and gas produced and the total of all royalty interests, overriding royalty interests and other burden or lawful claims upon production to which your leases may be currently subject, so that Marathon will be assigned a 75% net revenue interest in your lease(s) as to rights below a depth of 500' below the top of the San Andres formation to 100' below the total depth drilled, not to exceed the base of the Morrow formation. Such overriding royalty interest retained by you shall be subject to proportionate reduction.
- (d) Upon acceptance of our farmout proposal, you agree to furnish, at no cost to Marathon, title information such as copies of the leases covering the captioned lands, title opinions currently in your possession, title curative, letter agreements and any contracts currently in effect, etc.

Should the above general terms be acceptable to you, our formal Farmout Agreement will be provided under separate cover.

Your earliest response to this proposal would be greatly appreciated. If there are any questions, please call the undersigned at (915) 687-8490.

Very truly yours,

Tim B. Robertson, CPL Advanced Landman

TBR;mmc' Enclosure

Courtman 4 State No. 1 Lots 1-4, S/2 N/2 Section 4, T-19-S, R-28-E Eddy County, New Mexico

WORKING INTEREST OWNERS:

MESA OIL COMPANY P. O. Box 428

Artesia, NM 88201-0428

MARATHON OIL COMPANY	41.04392%
MARALO, INC. Five Post Oak Park, Ste. 1010 Houston, TX 77027-3489	28.88472%
ATLANTIC RICHFIELD COMPANY Attn: Mr. Lee Scarborough P. O. Box 1610 Midland, TX 79702-1610	6.25233%
YATES PETROLEUM CORPORATION Attn: Mr. Robert Bullock 105 S. Fourth St. Artesia, NM 88210	2.25779%
ENRON OIL & GAS COMPANY Attn: Mr. Pat Tower P. O. Box 2267 Midland, TX 79702-2267	5.48750%
LOUIS DREYFUS NATURAL GAS CORP. Attn: Mr. Rusty Waters 14000 Quail Springs Prkwy., Ste 600 Oklahoma City, OK 73134	1.99727%
READ & STEVENS, INC. Attn: Mr. Bob Watson P. O. Box 1518 Roswell, NM 88202-1518	0.78125%
MR. ROY G. BARTON., JR., TRUSTEE ROY G. BARTON, SR. AND OPAL BARTON REVOCABLE TRUST P. O. Box 978 Hobbs, NM 88240-0978	0.78125%

12.51397%

Region Field Lease Mid-Continent
Travis
Courtman 4 State No. I
NE/4 Section 4,
T19S-R28E, Eddy County, NM

Total Depth Drilling Days Compl Days AFE#

ource	Quantity		Feature	Cond A
	DI	RILLING COSTS - TANGIBLE		
		Drive Pipe	81-7	
urchase		Conductor Pipe- 20",PE	81-8	
ırchase	425	Surface Pipe- 13-3/8",48#,H-40,8rd,STC	81-9	\$9,00
ırchase	2700	Casing, Int. String No. 1- 9-5/8"	81-11	\$30,00
		Casing, Intermediate String No. 2	81-12	
		Drilling Liner	81-19	
		Drilling Liner Hanger and Tieback Equipment	81-22	
urchase		Drilling Wellhead Equipment	81-80	\$4,50
urchase		Miscellaneous Materials	81-217	\$1,00
	ͺ το	OTAL DRILLING - TANGIBLE		\$44,50
	וט	RILLING COSTS - INTANGIBLE		
ontract		Surveying, Location & Access	81-2	\$50
ontract		Well Location & Access	81-5	\$15,00
ontract	36	Daywork Drlg \$6200/24 hour day incl. Fuel	81-36	\$224,00
		Footage Basis Drlg Dry Hole Drilling	81-37	
outre at	······································	Turnkey Drilling	81-38	
Contract		Drilling Rig Mob/Demob	· 81-39	\$22,00
.omiact		Blowout Prevention Equipment Drill Pipe & Collars	81-41 81-44	
		Drilling & Service Tools	81-45	
		Drilling Services	81-50	
		Snubbing Units, Company	81-62	
		Snubbing Units, Contract	81-68	
Contract		Mud System/Solids Control	81-40	\$4,00
Contract		Mud and Mud Services	81-71	\$25,0
Contract		Bits	81-69	\$45,0
		Stabilizers, Hole Openers, Underreamers	81-70	
		Oil	81-72	
		Grease	81-72	
	······································	Fuel, Diesel (Not furnished by Contractor)	81-74	
Contract	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	Water	81-336	\$12,0
Contract		Casing Tools and Services	81-90	\$9,0
Contract		Cement and Cementing Service	81-91	\$25,0
Contract		Logging Services, Open Hole	81-93	\$30,0
		Logging Services, Cased Hole	81-94	
Contract		Mud Logging	81-95	\$10,0
Contract		Inspection, Pipe & Casing	81-97	\$3,4
	· .	Directional Services	81-101 .	
		Coring	81-102	
Contract		Formation Testing, Open Hole	81-104	\$5,0
		Formation Testing, Cased Hole	81-105	
		Well Control Services	81-120	
Contract	The state of the s	Trucking/Transportation, Other	81-126	\$5,5
Contract		Well Test Equipment	81-127	\$2,5
· · · · · · · · · · · · · · · · · · ·		Fishing Tools and Services	81-133	
		Abandoning Tools and Services	81-136	
		Sidetracking, Milling Sections, Whipstocks	81-185	
				\$3,5
Contract		Miscellaneous Materials	81-217	
Contract		Contract Labor, vicining	01-433	
Contract Contract		Contract Labor, Other-\$400/24 hour day	81-237	\$15,0
Contract		Contract Labor, or coming Contract Labor, Other- \$400/24 hour day Contract Services, Living Qtrs \$100/day	81-237 81-243	\$15,0
Contract Contract Contract		Contract Labor, victing Contract Labor, Other- \$400/24 hour day Contract Services, Living Qtrs \$100/day Contract Services, Other	81-237 81-243 81-266	\$15,0
Contract Contract		Contract Labor, Other-\$400/24 hour day Contract Services, Living Qtrs\$100/day Contract Services, Other Hydrogen Sulfide Testing-\$150/day	81-237 81-243 81-266 81-320	\$15,0
Contract Contract Contract		Contract Labor, Other-\$400/24 hour day Contract Services, Living Qtrs\$100/day Contract Services, Other Hydrogen Sulfide Testing-\$150/day Spill Control Equipment	81-237 81-243 81-266 81-320 81-454	\$15,0 \$15,0 \$3,5
Contract Contract Contract Contract Contract		Contract Labor, victing Contract Labor, Other-\$400/24 hour day Contract Services, Living Qtrs\$100/day Contract Services, Other Hydrogen Sulfide Testing-\$150/day Spill Control Equipment Computer Hardware-\$25/day	81-237 81-243 81-266 81-320 81-454 81-568	\$15,0 \$15,0 \$3,5 \$4,0
Contract Contract Contract		Contract Labor, Nothing Contract Labor, Other-\$400/24 hour day Contract Services, Living Qtrs\$100/day Contract Services, Other Hydrogen Sulfide Testing-\$150/day Spill Control Equipment Computer Hardware-\$25/day Commo, Field-\$50/day	81-237 81-243 81-266 81-320 81-454 81-568 81-658	\$15,0 \$15,0 \$3,5 \$4,0
Contract Contract Contract Contract Contract Contract		Contract Labor, Neuring Contract Labor, Other-\$400/24 hour day Contract Services, Living Qtrs\$100/day Contract Services, Other Hydrogen Sulfide Testing-\$150/day Spill Control Equipment Computer Hardware-\$25/day Commo, Field-\$50/day Regulatory Compliance	81-233 81-237 81-243 81-266 81-320 81-454 81-568 81-658	\$15,0 \$15,0 \$3,5 \$4,0 \$8 \$1,8
Contract Contract Contract Contract Contract		Contract Labor, Neuring Contract Labor, Other-\$400/24 hour day Contract Services, Living Qtrs\$100/day Contract Services, Other Hydrogen Sulfide Testing-\$150/day Spill Control Equipment Computer Hardware-\$25/day Commo, Field-\$50/day Regulatory Compliance Company Labor & Burden-\$375/day	81-237 81-243 81-266 81-320 81-454 81-568 81-658 81-658	\$15,0 \$15,0 \$3,5 \$4,0 \$8 \$1,8
Contract Contract Contract Contract Contract Contract		Contract Labor, volume Contract Labor, Other-\$400/24 hour day Contract Services, Living Qtrs\$100/day Contract Services, Other Hydrogen Sulfide Testing-\$150/day Spill Control Equipment Computer Hardware-\$25/day Commo, Field-\$50/day Regulatory Compliance Company Labor & Burden-\$375/day Overhead	81-233 81-237 81-243 81-266 81-320 81-454 81-568 81-658 81-658 81-750 81-770	\$15,0 \$15,0 \$3,5 \$4,0 \$8 \$1,8
Contract Contract Contract Contract Contract Contract		Contract Labor, Neuring Contract Labor, Other-\$400/24 hour day Contract Services, Living Qtrs\$100/day Contract Services, Other Hydrogen Sulfide Testing-\$150/day Spill Control Equipment Computer Hardware-\$25/day Commo, Field-\$50/day Regulatory Compliance Company Labor & Burden-\$375/day	81-237 81-243 81-266 81-320 81-454 81-568 81-658 81-658	\$1,0 \$15,0 \$3,5 \$4,0 \$8 \$1,8 \$13,0

Region Field Lease Mid-Continent
Travis
Courtman 4 State No. 1
NE/4 Section 4,
T19S-R28E, Eddy County, NM

Total Depth Drilling Days Compl Days AFE#

ource	Quantity		Feature	Cond A
	CC	MPLETION COST - TANGIBLE		
urchase	11200	Production Casing (5 1/2" 15.5 & 17 #)	82-15	\$92,000
urchase .	11200	Production Liner	82-18	\$72,000
		Production Liner Hanger & Tieback Equipment	82-21	
urchase	11200	Tubing - 2 3/8" O.D., 4.7#, L-80	82-23	\$36,000
		Wellhead Equipment (Drilling)	82-80	\$4,500
urchase		Christmas Tree	82-87	\$9,000
urchase		Packers	82-137	\$6,000
		Rod Pump	82-143	
		Electric Submersible Pump	82-149	
		Completion Wellhead Equipment	82-167	
	TO	OTAL COMPLETION - TANGIBLE		\$147,50
	C	OMPLETION COST - INTANGIBLE		
Contract		Location and Access	82-1	\$1,50
		Drilling Rig During Completion	82-34	\$11,00
Contract		Blowout Preventer	82-41	\$1,50
		Tools - Drilling & Service	82-45	
		Rig, Completion	82-48	
		Workover Units, Company	82-55	
Contract		Workover Units, Contract	82-56	\$7,50
		Snubbing Units, Company	82-62	
· · · · · · · · · · · · · · · · · · ·		Coiled Tubing Service Units, Contract	82-67	
		Snubbing Units, Contract	82-68	
		Underreamers, Stabilizers, Hole Openers	82-70	
		Lubricants	82-72	
		Fuel, Diesel	82-74	
		Casing Tools & Services- Longstring	82-90	\$9,00
		Cement & Cementing Services- Longstring	82-91	\$28,00
		Logging Services, Open Hole Wells	82-93	
Contract		Logging Services, Cased Hole Wells	82-94	\$3,50
Contract		Tubular Inspection, Testing & Cleaning	82-96	\$7,00
Contract		Formation Testing	82-103	\$3,00
Contract		Formation Treating	82-113	\$4,00
Contract		Transportation, Other	82-126	\$3,50
Contract		Test Equipment - Well Testing	82-127	\$7,50
		Fishing Tools and Services	82-133	
Contract		Completion and Packer Fluids	82-180	\$1,00
Contract		Perforating	82-182	\$16,00
Contract		Wireline Services	82-183	\$1,50
		Sidetracking, Milling Sections, Whipstocks	82-185	
Contract	· · · · · · · · · · · · · · · · · · ·	Miscellaneous Materials	82-217	\$3,50
Contract		Miscellaneous Services	82-218	\$7,00
Contract		Contract Labor, Laborer	82-234	\$3,00
Contract		Contract Services, Other	82-240	\$7,40
Contract		Treating Chemicals, Other	82-291	\$1,00
Contract		Salt Water Disposali & Trans Fccs	82-371	\$1,00
Contract		Rental Tools & Equip.	82-585	\$4,30
100 and 100 an		Communications - Field	82-658	
140.5		Regulatory Compliance	82-685	
мос		Company Labor & Burden	82-750	\$3,80
		Overhead	82-770	
		Indirect Expense	82-779	\$3,00
	7	OTAL COMPLETION - INTANGIBLE		\$139,50
	7	TOTAL COMPLETION COSTS		\$287,0

Mid-Continent Travis Courtman 4 State No. 1 NE/4 Section 4, T19S-R28E, Eddy County, NM

Total Depth Drilling Days Compl Days AFE#

Source	Quantity	Feature	Cond	A
	FACILITY COOMS			
	FACILITY COSTS	03.37		61.500
Purchase	Line Pipe	83-27		\$1,500
urchase	Transportation, Other	83-126		\$2,500
	Pumping Unit	83-141		
	Pumping Equipment - Rod Pump	83-143		
	Flowing/Plunger Lift Equipment	83-146		
	Submersible Pump - Electric Panel	83-149		
	Submersible Pump - Hydraulic	83-152		
	Gas Lift Equipment	83-155		
	Pumps	83-158		
urchase	Tanks	83-170		\$10,000
urchase	Metering Equipment	83-190		\$4,000
	Instrumentation	83-194		
	Electrical Equipment, Other	83-201		
Purchase	Valves	83-205		\$2,50
Purchase	Miscellaneous Materials	83-217		\$10,00
	Contract Labor, Electrical	83-229		
Contract	Contract Labor, Welding	83-233		\$1,00
Contract	Contract Labor, Other	83-237		\$4,00
Contract	Contract Services, Other	83-240		\$2,00
	Compressor Installation	83-365		
Purchase	Dehydration	83-376		\$10,00
	Crude Oil Treaters	83-378		
Purchase	Separator	83-380		\$10,00
	Vapor Recovery Units	83-386		
	Free Water Knockouts	83-388		
	Regulatory Compliance (Includes Permitting)	83-685		
мос	Company Labor & Burden	83-750		\$2,00
	TOTAL FACILITY COSTS			\$59,50
	SUMMARY OF GROSS COSTS			
	Total Drilling]	\$525,00
	Total Completion		į	\$287,00
	Total Surface Equipment			\$59,50
	GRAND TOTAL GROSS COSTS		Ī	\$871,50
	SUMMARY OF NET COSTS			
	Total Drilling		1	\$
	Total Completion		1	\$
	Total Surface Equipment			\$
	GRAND TOTAL NET COSTS			\$
	TOTAL TANGIBLE COSTS			\$251,50
i	TOTAL INTANGIBLE COSTS			\$620,00
	TANGIBLE PERCENT OF TOTAL			28.9

PARTICIPANT'S APPROVAL

Participant Name:	
Signature:	Date:
Tilte:	

ocupeo.			
SENDER: Complete items 1 and/or 2 for additional services. Complete items 3, 4e, and 4b		I also wish to receive	
 #Complete items 3, 4s, and 4b #Print your name and address on the reverse of this form so that we 	e can return this	following services (following services (following services):	oran
e Print your name and address on the reverse of this form so that we card to you. attach this form to the front of the mailplace, or on the back if space permit.	se does not	1. Addressee's	s Address
permit. # Write 'Return Receipt Requested' on the mailpiece below the article	le number.	2. Restricted D	Delivery 🚜
The Return Receipt will show to whom the article was delivered an delivered.	nd the date	Consult postmaster	for fee.
3. Article Addressed to:	4a. Article N		/ §
a Write Receipt Receipt will show to whom the article was delivered and delivered. 3. Article addressed to: 14000 Qual Apr. Receipt Marie Corp. 5. Received By: (Print Name)	124	5/74	Address Delivery for fee. Certified Insured COD Insured I COD Inquested
they we had cop.	4b. Service	**	etr —
14000 Quail Spr. Kking.	Registere	-	Certified
1 1 600 C)	Express I	_	Insured .
a xxxev	7. Date of De		COD
\$7×1 OK 73/34	2	3-10	2
5. Received By: (Print Name)		s's Address (Only if re	equested 2
	and fee is	paid)	룓
<u>اً</u> وقط			
<u> </u>		-	Possist
· ·			Receipt
			+
SENDER: Complete items 1 and/or 2 for additional services. Complete items 3, 4s, and 4b.		I also wish to receive	the.
Complete items 3, 4s, and 4b. Print your name and address on the reverse of this form so that we	can return this	following services (fo	
Print your name and address on the reverse of this form so that we card to you. Attach this form to the front of the mailpiece, or on the back if space permit.		extra fee):	
permit. Wifte "Return Receipt Requested" on the mailpiece below the article		 1. □ Addressee's 2. □ Restricted D 	<u> </u>
The Return Receipt will show to whom the article was delivered and		Consult postmaster	~
5	4a. Article N		TOT 189.
ENO 0+1 Co.	D 2	15 つつし	とく。
GNUS UTA CO.	4b. Service T	ype	
DOR 2267	☐ Registere	d d	Certified 🖺
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PS Form 3811, December 1994

Domestic Return Receipt

Marathon Oil Company P.O. Box 552, Midland, Texas 79702-0552

CERTIFIED

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CERTIFIED MAIL - RETURN RECEIPT REQUESTED

MAIL

MESA OII COMPANY
P. O. Box 428
Artesia, NM 88201-0428

INSUFFICIENT ADDRESS
INSUFFICIENT ADDR

Mid-Continent Region Production United States



P.O. Box 552 Midland, TX 79702-0552 Telephone 915/682-1626

September 23, 1997

CERTIFIED MAIL & RETURN RECEIPT REQUESTED

WORKING INTEREST OWNERS Courtman 4 State No. 1 Lots 1-4, S/2 N/2 Section 4, T-19-S, R-28-E, N.M.P.M., Eddy County, New Mexico

Re: Operating Agreement

Dear Working Interest Owner:

Enclosed is an Operating Agreement with extra signature pages for the captioned well. The AFE and well proposal was mailed to you on September 8, 1997. If you plan to participate in this well, please execute and return the AFE and the extra signature pages to this Operating Agreement. If you do not plan to participate, we request that you either sell Marathon a term assignment covering your interest in this well or farmout your interest to Marathon under the terms outlined in our well proposal dated September 8, 1997.

If you have any questions, please call me at (915) 687-8490.

4:57

Sincerely,

Tim Robertson, CPL Advanced Landman

TBR;mmc' Encl.

BEFORE THE
OIL CONSERVATION COMMISSION
Case No.11883 Exhibit No. —
Submitted By:
Marathon Oil Company
Hearing Date: December 4, 1997

Courtman 4 State No. 1 Lots 1-4, S/2 N/2 Section 4, T-19-S, R-28-E Eddy County, New Mexico

WORKING INTEREST OWNERS:

ARING INTEREST OWNERS:	
MARATHON OIL COMPANY	41.04392%
MARALO, INC.	28.88472%
Five Post Oak Park, Ste. 1010	
Houston, TX 77027-3489	
ATLANTIC RICHFIELD COMPANY	6.25233%
Attn: Mr. Lee Scarborough	
P. O. Box 1610	
Midland, TX 79702-1610	
YATES PETROLEUM CORPORATION	14.77176%
Attn: Mr. Robert Bullock	
105 S. Fourth St.	
Artesia, NM 88210	
ENRON OIL & GAS COMPANY	5.48750%
Attn: Mr. Pat Tower	
P. O. Box 2267	
Midland, TX 79702-2267	
LOUIS DREYFUS NATURAL GAS CORP.	1.99727%
Attn: Mr. Rusty Waters	
14000 Quail Springs Prkwy., Ste 600	
Oklahoma City, OK 73134	
READ & STEVENS, INC.	0.78125%
Attn: Mr. Bob Watson	
P. O. Box 1518	
Roswell, NM 88202-1518	
MR. ROY C. F. M. TRUSTEE	0.75125%
ROY G. BARTON, SR. AND OPAL BARTON	
REVOCABLE TRUST	
P. O. Box 978	
TT-LL- NINA 000AO 0000	

Hobbs, NM 88240-0978

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Courtman 4 State No. 1

OPERATING AGREEMENT

DATED

September 16, 19 97,

OPERATOR			
CONTRACT ARE	A Lots 1, 2, 3,	, 4, S/2 N/2 Section 4	<u>. </u>
	T-19-S, R-28	3-E. N.M.P.M.	
COUNTY OF CHECK	MXM OFEddy_	STATE OF	New Mexico

COPYRIGHT 1982 — ALL RIGHTS RESERVED AMERICAN ASSOCIATION OF PETROLEUM LANDMEN, 2408 CONTINENTAL LIFE BUILDING, FORT WORTH, TEXAS, 76102, APPROVED FORM.

A.A.P.L. NO. 610 - 1982 REVISED

A.A.P.L. FORM 610 - MODEL FORM OPERATING AGREEMENT - 1982

ARTICLE VI continued

and the well shall then be turned over to Operator and shall be operated by it at the expense and for the account of the Consenting Parties. Upon commencement of operations for the drilling, reworking, deepening or plugging back of any such well by Consenting Parties in accordance with the provisions of this Article, each Non-Consenting Party shall be deemed to have relinquished to Consenting Parties, and the Consenting Parties shall own and be entitled to receive, in proportion to their respective interests, all of such Non-Consenting Party's interest in the well and share of production therefrom until the proceeds of the sale of such share, calculated at the well, or market value thereof if such share is not sold, (after deducting production taxes, excise taxes, royalty, overriding royalty and other interests not excepted by Article III.D. payable out of or measured by the production from such well accruing with respect to such interest until it reverts) shall equal the total of the following:

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(a) 100% of each such Non-Consenting Party's share of the cost of any newly acquired surface equipment beyond the wellhead connections (including, but not limited to, stock tanks, separators, treaters, pumping equipment and piping), plus 100% of each such Non-Consenting Party's share of the cost of operation of the well commencing with first production and continuing until each such Non-Consenting Party's relinquished interest shall revert to it under other provisions of this Article, it being agreed that each Non-Consenting Party's share of such costs and equipment will be that interest which would have been chargeable to such Non-Consenting Party had Wparticipated in the well from the beginning of the operations; and

 (b) 300 % of that portion of the costs and expenses of drilling, reworking, deepening, plugging back, testing and completing, after deducting any cash contributions received under Article VIII.C., and 300 % of that portion of the cost of newly acquired equipment in the well (to and including the wellhead connections), which would have been chargeable to such Non-Consenting Party it whad participated therein.

An election not to participate in the drilling or the deepening of a well shall be deemed an election not to participate in any reworking or plugging back operation proposed in such a well, or portion thereof, to which the initial Non-Consent election applied that is conducted at any time prior to full recovery by the Consenting Parties of the Non-Consenting Party's recoupment account. Any such reworking or plugging back operation conducted during the recoupment period shall be deemed part of the cost of operation of said well and there shall be added to the sums to be recouped by the Consenting Parties one hundred percent (100%) of that portion of the costs of the reworking or plugging back operation which would have been chargeable to such Non-Consenting Party had it participated therein. If such a reworking or plugging back operation is proposed during such recoupment period, the provisions of this Article VI.B. shall be applicable as between said Consenting Parties in said well.

During the period of time Consenting Parties are entitled to receive Non-Consenting Party's share of production, or the proceeds therefrom, Consenting Parties shall be responsible for the payment of all production, severance, excise, gathering and other taxes, and all royalty, overriding royalty and other burdens applicable to Non-Consenting Party's share of production not excepted by Article III D.

 In the case of any reworking, plugging back or deeper drilling operation, the Consenting Parties shall be permitted to use, free of cost, all casing, tubing and other equipment in the well, but the ownership of all such equipment shall remain unchanged; and upon abandonment of a well after such reworking, plugging back or deeper drilling, the Consenting Parties shall account for all such equipment to the owners thereof, with each party receiving its proportionate part in kind or in value, less cost of salvage.

Within sixty (60) days after the completion of any operation under this Article, the party conducting the operations for the Consenting Parties shall furnish each Non-Consenting Party with an inventory of the equipment in and connected to the well, and an itemized statement of the cost of drilling, deepening, plugging back, testing, completing, and equipping the well for production; or, at its option, the operating party, in lieu of an itemized statement of such costs of operation, may submit a detailed statement of monthly billings. Each month thereafter, during the time the Consenting Parties are being reimbursed as provided above, the party conducting the operations for the Consenting Parties shall furnish the Non-Consenting Parties with an itemized statement of all costs and liabilities incurred in the operation of the well, together with a statement of the quantity of oil and gas produced from it and the amount of proceeds realized from the sale of the well's working interest production during the preceding month. In determining the quantity of oil and gas produced during any month, Consenting Parties shall use industry accepted methods such as, but not limited to, metering of periodic well tests. Any amount realized from the sale or other disposition of equipment newly acquired in connection with any such operation which would have been owned by a Non-Consenting Party had it participated therein shall be credited against the total unreturned costs of the work done and of the equipment purchased in determining when the interest of such Non-Consenting Party shall revertito it as above provided; and if there is a credit balance, it shall be paid to such Non-Consenting Party.

> a) is of the constituting maters and the traciscopt when sufficiently a section by the angular has enclosed if the content forming to

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12. Insurance

Net premiums paid for insurance required to be carried for the Joint Operations for the protection of the Parties. In the event Joint Operations are conducted in a state in which Operator may act as self-insurer for Worker's Compensation and/or Employers Liability under the respective state's laws, Operator may, at its election, include the risk under its self-insurance program and in that event, Operator shall include a charge at Operator's cost not to exceed manual rates.

13. Abandonment and Reclamation

Costs incurred for abandonment of the Joint Property, including costs required by governmental or other regulatory authority.

14. Communications

Cost of acquiring, leasing, installing, operating, repairing and maintaining communication systems, including radio and microwave facilities directly serving the Joint Property. In the event communication facilities/systems serving the Joint Property are Operator owned, charges to the Joint Account shall be made as provided in Paragraph 8 of this Section II.

15. Other Expenditures

Any other expenditure not covered or dealt with in the foregoing provisions of this Section II, or in Section III and which is of direct benefit to the Joint Property and is incurred by the Operator in the necessary and proper conduct of the Joint Operations.

III. OVERHEAD

1. Overhead - Drilling and Producing Operations

i. As compensation for administrative, supervision, office services and warehousing costs, Operator shall charge drilling and producing operations on either:

(X)	Fixed	Rate	Basis,	Paragraph	1A,	O
1		١	Percer	tage	Ragie	Paragraph	1 R	

Unless otherwise agreed to by the Parties, such charge shall be in lieu of costs and expenses of all offices and salaries or wages plus applicable burdens and expenses of all personnel, except those directly chargeable under Paragraph 3A, Section II. The cost and expense of services from outside sources in connection with matters of taxation, traffic, accounting or matters before or involving governmental agencies shall be considered as included in the overhead rates provided for in the above selected Paragraph of this Section III unless such cost and expense are agreed to by the Parties as a direct charge to the Joint Account.

ii. The salaries, wages and Personal Expenses of Technical Employees and/or the cost of professional consultant services and contract services of technical personnel directly employed on the Joint Property:

() shall	be covered by the overhead rates, or	•
(X) shall	not be covered by the overhead rate	s.

The salaries, wages and Personal Expenses of Technical Employees and/or costs of professional consultant services and contract services of technical personnel either temporarily or permanently assigned to and directly employed in the operation of the Joint Property:

() shall be covered by the overhead rates, or	14	
(X	() shall not be covered by the overhead rates.		1.40 44.

A. Overhead - Fixed Rate Basis

(1) Operator shall charge the Joint Account at the following rates per well per month:

Drilling Well Rate \$ 5,400.00
(Prorated for less than a full month)
Producing Well Rate \$ 540.00

- (2) Application of Overhead Fixed Rate Basis shall be as follows:
 - (a) Drilling Well Rate
 - (1) Charges for drilling wells shall begin on the date the well is spudded and terminate on the date the drilling rig, completion rig, or other units used in completion of the well is released, whichever

MARTIN YATES, III 1912 - 1985 FRANK W. YATES 1936 - 1986



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210

TELEPHONE (505) 748-1471

October 30, 1997

Marathon Oil Company PO Box 552 Midland, Texas 79702-0552

Attention: Tim Robertson

RE: Operat

Operating Agreement Courtman 4 State #1

Eddy County, New Mexico

JOHN A. YATES

PEYTON YATES EXECUTIVE VICE PRESIDENT

RANDY G. PATTERSON SECRETARY

DENNIS G. KINSEY

Gentlemen:

Please find enclosed the signature pages to the Operating Agreement covering the captioned. The signature pages have been executed on behalf of Yates Petroleum Corporation.

Thank you.

Very truly yours,

YATES PETROLEUM CORPORATION

Robert Bullock Landman

RB:bn enclosure(s)

BEFORE THE
OIL CONSERVATION COMMISSION
OIL CONSERVATION COMMISSION
Case No. 11883 Exhibit No.—
Submitted By:
Submitted By:
Submitted By:
Marathon Oil Company
Marathon Date: December 4, 1997
Hearing Date: December 4

RECEIVED

NOV 03 1997

MARATHON CIL COMPANY MCR LAND DEPARTMENT

A.A.P.L. FORM 610 · MODEL FORM OPERATING AGREEMENT · 1982 SIGNATURE PAGE TO THAT CERTAIN OPERATING AGREEMENT COVERING LOTS 1, 2, 3, 4, S/2 N/2 Section 4, T-19-S, R-28-E, N.M.P.M. The initial well being the Courtman 4 State No. 1. ARTICLE XVI.

MISCI	ELLANEOUS
This agreement shall be binding upon and shall inure to egal representatives, successors and assigns.	the benefit of the parties hereto and to their respective heirs, dev
This instrument may be executed in any number of coun	terparts, each of which shall be considered an original for all pur
IN WITNESS WHEREOF, this agreement shall be effective	ve as of <u>16th</u> day of <u>September</u> , 19 <u>9</u>
OP	ERATOR
	MARATHON OIL COMPANY
	PC Potts
	E. C. Potter, Attorney-in-Fact
NON-0	PERATORS
YATES PETROLEUM CORPORATION	MARALO, INC.
Odan Hat	RP
By: John Yates, Jr.	By:
Its: Vice-President	Its:
ATLANTIC RICHFIELD COMPANY	ENRON OIL & GAS COMPANY
By:	By:
Its:	Its:
LOUIS DREYFUS NATURAL GAS CORP.	READ & STEVENS, INC.
By:	By:
Its:	Its:
MESA OIL COMPANY	
The same of the same same same same same same same sam	Roy G. Barton, Jr., Trustee of the ROY G. BARTON, SR. AND OPAL BARTON
By: Its:	REVOCABLE TRUST
	, who a

EXECUTED on the date set out below beside each party's name.

	OPERATOR:
Date Executed:	E.C. Potte
	E. C. Potter, Attorney-in-Fact MARATHON OIL COMPANY
Date Executed:	NON-OPERATORS:
	By: Its: YATES PETROLEUM CORPORATION
Date Executed:	
10-30-97	Jalen Sat IV
	By: John Yates, Jr. Its: Vice-President ATLANTIC RICHFIELD COMPANY
Date Executed:	
	By: Its: MARALO, INC.
Date Executed:	
	By: Its: LOUIS DREYFUS NATURAL GAS CORPORATION
Date Executed:	
	By: Its: MESA OIL COMPANY
Date Executed:	
	By: Its: ENRON OIJ. & GAS COMPANY
Date Executed:	
	By: Its: READ & STEVENS, INC.

Date Executed:		
		by G. Barton, Jr., Trustee of the Roy G. Barton, Sr. and Opal arton Revocable Trust
STATE OF TEXAS COUNTY OF MIDLAND	§ § §	
by E. C. Potter, Attorney-in- corporation.		ledged before me this 22 day of <u>Nortanion</u> , 1997, ON OIL COMPANY, an Ohio corporation, on behalf of said
My Commission expires:	DEBORAH K. REESE MY COMMISSION EXPIRES FEBRUARY 28, 2001	Notary, please print or type name.
STATE OF NEW MEXICO COUNTY OF EDDY The foregoing instru	_ § § _§ ument was acknow	ledged before me this 30th day of October 1997,
by John Yates, Jr.	as	orporation, on behalf of said corporation.
My Commission expires:		Notary Public in and for the State of New Mexico. Barbara Nelson
STATE OF	_	Notary, please print or type name.
The foregoing instru	ment was acknow	day of
My Commission expires:		Notary Public in and for the State of
		Notary, please print or type name.

UNITED BANK PLAZA

PHONE 505 622-3770 FAX: 505 622-8643

CHARLES B. READ

Read & Stevens, Inc.
Oil Producers
P. O. Box 1518
Roswell. New Mexico 88202

September 25, 1997

Marathon Oil Company P.O. Box 552 Midland, TX 79702-0552

Attn: Tim Robertson

Re: Courtman 4 State No. 1 NW/4 Sec. 33, T18S-R28E Eddy County, New Mexico R&S #9828W

Mitchusson 4 State No. 1 SW/4 Sec. 4, T19S-R28E Eddy County, New Mexico R&S #9829W

Dear Tim:

Enclosed are signature pages to the Operating Agreement and Notice of J.O.A. covering the captioned wells executed on behalf of Read & Stevens, Inc.

Read & Stevens, Inc. is self-insured and elects not to be covered under the Operator's insurance. A certificate of insurance will be furnished to you.

- . JA ..

Respectfully,

READ & STEVENS, TNC

Kim D. Stuart

Land Secretary

/ks

Enclosures

BEFORE THE
OIL CONSERVATION COMMISSION
Case No.11883 Exhibit No.—
Submitted By:
Submitted By:
Marathon Oil Company
Hearing Date: December 4, 1997
Hearing Date: December 4

RECEIVED

SEP 2 9 1997

A.A.P.L. FORM 610 - MODEL FORM OPERATING AGREEMENT - 1982 SIGNATURE PAGE TO THAT CERTAIN OPERATING AGREEMENT COVERING LOTS 1, 2, 3, 4, S/2 N/2 Section 4, T-19-S, R-28-E, N.M.P.M. The initial well being the Courtman 4 State No. 1. ARTICLE XVI.

MISCELLANEOUS

This instrument may be executed in any number of counterparts, each of which shall be considered an original for all IN WITNESS WHEREOF, this agreement shall be effective as of		·
OPERATOR MARATHON OIL COMPANY E. C. Potter, Attorney-in-Fact NON-OPERATORS YATES PETROLEUM CORPORATION By: Its: ATLANTIC RICHFIELD COMPANY By: Its: LOUIS DREYFUS NATURAL GAS CORP. By: Its: READ & STEVENS, INC. By: Its: EKARTIES B. Reed, Presiden Its: ROY G. Barton, Jr., Trustee of	This agreement shall be binding upon and shall inure egal representatives, successors and assigns.	to the benefit of the parties hereto and to their respective heirs
OPERATOR MARATHON OIL COMPANY E. C. Potter, Attorney-in-Face NON OPERATORS YATES PETROLEUM CORPORATION By: Its: By: Its: ATLANTIC RICHFIELD COMPANY By: Its: LOUIS DREYFUS NATURAL GAS CORP. READ & STEVENS, INC. By: Its: By: Its: READ & STEVENS, INC. READ & STEVENS, INC. READ & STEVENS, INC. By: Its: READ & STEVENS, INC. READ & STEVENS, INC. By: Its: READ & STEVENS, INC. ROY G. BARTON, Jr., Trustee of ROY G. BARTON, SR. AND OPAL BAI EXCHANGE TRUST	This instrument may be executed in any number of co	ounterparts, each of which shall be considered an original for all
MARATHON OIL COMPANY E. C. Potter, Attorney-in-Face NON OPERATORS MARALO, INC. By: Its: By: Its: ATLANTIC RICHFIELD COMPANY By: Its: LOUIS DREYFUS NATURAL GAS CORP. By: Its: By: Its: READ & STEVENS, INC. WESA OIL COMPANY ROY G. BARTON, SR. AND OPAL BAI ENCYCROUSE TRUST	IN WITNESS WHEREOF, this agreement shall be effective	ctive as of <u>16th</u> day of <u>September</u> 19
E. C. Potter, Attorney-in-Fact NON OPERATORS YATES PETROLEUM CORPORATION By: Its: By: Its: ATLANTIC RICHFIELD COMPANY By: Its: LOUIS DREYFUS NATURAL GAS CORP. By: Its: READ & STEVENS, INC. By: Its: READ & STEVENS, INC. By: Its: READ & STEVENS, INC. READ & STEVENS, INC. By: Its: READ & STEVENS, INC. By: Its: Its: READ & STEVENS, INC. By: Its: Its: Its: READ & STEVENS, INC. By: Its: Its: Its: Its: Its: Its: Its: Its	o	PERATOR
NON OPERATORS YATES PETROLEUM CORPORATION By: Its: ATLANTIC RICHFIELD COMPANY By: Its: Charles B. Read, Presiden Its: MESA OIL COMPANY Roy G. Barton, Jr., Trustee of Roy G. Barton, Jr., Trustee of Roy G. Barton, SR. AND OPAL BAI By: REVOCABLE TRUST		MARATHON OIL COMPANY
NON OPERATORS YATES PETROLEUM CORPORATION By: Its: ATLANTIC RICHFIELD COMPANY By: Its: By: Its: By: Its: By: Its: By: Its: By: Its: READ & STEVENS, INC. By: Its: By: Its: By: Its: By: Its: Charles B. Read, Presiden Its: MESA OIL COMPANY Roy G. Barton, Jr., Trustee of Roy G. Barton, Jr., Trustee of Roy G. Barton, SR. AND OPAL BAI By: REVOCUELE TRUST		EC.Poth.
By: Its: ATLANTIC RICHFIELD COMPANY By: Its: By: Its: Its: By: Its: Its: By: Its: Its: By: Its: Its: Its: By: Its: Its: Its: Its: Its: Its: Its: Its:		E. C. Potter, Attorney-in-Fact
By: Its: ATLANTIC RICHFIELD COMPANY By: Its: By: Its: By: Its: LOUIS DREYFUS NATURAL GAS CORP. By: Its: By: Its: READ & STEVENS, INC. By: Its: By: Its: By: Its: By: Its: READ & STEVENS, INC. By: Its: By: Its: READ & Barton, Jr., Trustee of ROY G. BARTON, SR. AND OPAL BANGED. By: REVOCABLE TRUST	NON	· OPERATORS
ATLANTIC RICHFIELD COMPANY By: Its: By: Its: LOUIS DREYFUS NATURAL GAS CORP. By: By: Its: By: Charles B. Read. Presiden Its: Read G. Barton, Jr., Trustee of ROY G. BARTON, SR. AND OPAL BAN By: REVOCABLE TRUST	YATES PETROLEUM CORPORATION	MARALO, INC.
ATLANTIC RICHFIELD COMPANY By: Its: By: Its: LOUIS DREYFUS NATURAL GAS CORP. By: By: Its: By: Charles B. Read, Presiden Its: Read G. Barton, Jr., Trustee of ROY G. BARTON, SR. AND OPAL BAN By: REVOCABLE TRUST	Rv:	Ru •
By: Its: LOUIS DREYFUS NATURAL GAS CORP. By: By: By: By: Charles A. Read, Presiden Its: Respondence of Roy G. Barton, Jr., Trustee of Roy G. Barton, SR. AND OPAL BANGES. By: REVOCABLE TRUST		
Its: LOUIS DREYFUS NATURAL GAS CORP. READ & STEVENS, INC. By: By: Charles H. Read, Presiden Its: Roy G. Barton, Jr., Trustee of ROY G. BARTON, SR. AND OPAL BAN REVOCABLE TRUST	ATLANTIC RICHFIELD COMPANY	ENRON OIL & GAS COMPANY
By: Its: READ & STEVENS, INC. By: Charles H. Read, Presiden Its: Roy G. Barton, Jr., Trustee of ROY G. BARTON, SR. AND OPAL BAI REVOCABLE TRUST		
By: Its: By: Charles B. Read, Presiden Its: Roy G. Barton, Jr., Trustee of ROY G. BARTON, SR. AND OPAL BAI REVOCABLE TRUST	•	
ROY G. BARTON, Jr., Trustee of ROY G. BARTON, SR. AND OPAL BAI REVOCABLE TRUST		Charles Blead
ROY G. BARTON, Jr., Trustee of ROY G. BARTON, SR. AND OPAL BAI REVOCABLE TRUST		By: Charles B. Read, Presiden
Roy G. Barton, Jr., Trustee of ROY G. BARTON, SR. AND OPAL BAI REVOCABLE TRUST	ics:	ITS:
ROY G. BARTON, SR. AND OPAL BAI REVOCABLE TRUST	MESA OIL COMPANY	
	Bv:	ROY G. BARTON, SR. AND OPAL BAI
		CONTRACT LACTIC

EXECUTED on the date set out below beside each party's name.

OPERATOR:

Date Executed: E. C. Potter, Attorney-in-Fact MARATHON OIL COMPANY **NON-OPERATORS: Date Executed:** By: Its: YATES PETROLEUM CORPORATION Date Executed: By: Its: ATLANTIC RICHFIELD COMPANY Date Executed: By: MARALO, INC. Date Executed: By: Its: LOUIS DREYFUS NATURAL GAS CORPORATION Date Executed: By: Its: **MESA OIL COMPANY** Date Executed: By: Its: **ENRON OIL & GAS COMPANY** Date Executed: Charles B. Read, President By: **READ & STEVENS, INC.**

STATE OF Alice Mexicos	
COUNTY OF MILL S	
by March, as I. Le 20	dedged before me this of READ & STEVENS, INC., a(n)
corporation, on behalf o	f said corporation.
My Commission expires:	King Stuart
2/18/2001	Notary Public in and for the State of Wester
773/0007	KIM D. STUMET
	Notary, please print or type name.
STATE OF §	
COUNTY OFs	
The foregoing instrument was acknowled by Roy G. Barton, Jr., Trustee of the ROY G. BA	ledged before me this day of, 1997, RTON, SR., AND OPAL BARTON REVOCALBETRUST.
My Commission expires:	
•	Notary Public in and for the State of
	Notary, please print or type name.

[Attachment: Exhibit "A" Description of Lands Covered by Operating Agreement]

A.A.P.L. FORM 610 - MODEL FORM OPERATING AGREEMENT - 1982 SIGNATURE PAGE TO THAT CERTAIN OPERATING AGREEMENT COVERING LOTS 1, 2, 3, 4, S/2 N/2 Section 4, T-19-S, R-28-E, N.M.P.M. The initial well being the Courtman 4 State No. 1. ARTICLE XVI.

MISCELLANEOUS

This instrument may be executed in any number of count	terparts, each of which shall be considered an original for all purpo
IN WITNESS WHEREOF, this agreement shall be effective	e as of 16th day of September 19 97
OPI	ERATOR
	MARATHON OIL COMPANY
	EC. Pith
	E. C. Potter, Attorney-in-Fact
NON-0	PERATORS
YATES PETROLEUM CORPORATION	MARALO, INC.
By:	By:
Its:	Its:
ATLANTIC RICHFIELD COMPANY	ENRON OIL & GAS COMPANY
By:	Ву:
Its:	Its:
LOUIS DREYFUS NATURAL GAS CORP.	READ & STEVENS, INC.
By: Its:	By: Its:
MESA OIL COMPANY	Roy G. Barton, Jr., Trustee of the
Berg	ROY G. BARTON, SR. AND OPAL BARTON REVOCABLE TRUST
Its:	

BEFORE THE
OIL CONSERVATION COMMISSION
Case No.11883 Exhibit No. 10
Submitted By:
Marathon Oil Company
Hearing Date: December 4, 1997

61 62

63 64 65

66

EXECUTED on the date set out below beside each party's name.

OPERATOR:

Date Executed: E. C. Potter, Attorney-in-Fact MARATHON OIL COMPANY NON-OPERATORS: Date Executed: By: Its: YATES PETROLEUM CORPORATION Date Executed: By: Its: ATLANTIC RICHFIELD COMPANY Date Executed: By: Its: MARALO, INC. Date Executed: By: Its: LOUIS DREYFUS NATURAL GAS CORPORATION Date Executed: By: Its: **ENRON OIL & GAS COMPANY** Date Executed: By: Its: READ & STEVENS, INC. Date Executed: 10-3-97 Roy G. Barton, Jr., Trustee of the Roy G. Barton, Sr. and Opal **Barton Revocable Trust**

STATE OF §	
COUNTY OFS	
The foregoing instrument was by as	acknowledged before me this day of, 1997, of LOUIS DREYFUS NATURAL GAS
CORPORATION, a(n)	of LOUIS DREYFUS NATURAL GAS corporation, on behalf of said corporation.
My Commission expires:	Notary Public in and for the State of
	Notary, please print or type name.
STATE OF § S COUNTY OF §	
The foregoing instrument was	acknowledged before me this day of, 1997, of ENRON OIL & GAS COMPANY, , on behalf of said corporation.
My Commission expires:	Notary Public in and for the State of
	Notary, please print or type name.
STATE OF § S COUNTY OF § The foregoing instrument was by as	acknowledged before me this day of, 1997,
corporation, on	of READ & STEVENS, INC., a(n) behalf of said corporation.
My Commission expires:	Notary Public in and for the State of
	Notary, please print or type name.
STATE OF NEW MEXICO S S COUNTY OF LEA S	
The foregoing instrument was a by Roy G. Barton, Jr., Trustee of the RO	acknowledged before me this 3rd day of October 1997, YG. BARTON, S.L., AND OPAL BARTON REVOCALBETRUST.
My Commission expires: OFFICIA Joan NOTARY STATE OF NE My Commission Expires: 2 1/4	Sbell Joan Isbell
[Attachment: Exhibit "A" Description	of Lands Covered by Operating Agreement]

Region Field Lease Location Mid-Continent Travis Courtman 4 State No. I NE/4 Section 4, T19S-R28E, Eddy County, NM Total Depth Drilling Days Compl Days AFE#

	Quantity		Feature	Cond	^
	DI	RILLING COSTS - TANGIBLE			
		Drive Pipe	81-7	Ì	
urchase		Conductor Pipe- 20",PE	81-8		
urchase	425	Surface Pipe- 13-3/8",48#,11-40,8rd,STC	81-9		\$9,000
urchase	2700	Casing, Int. String No. 1- 9-5/8"	81-11		\$30,000
		Casing, Intermediate String No. 2	81-12		
		Drilling Liner	81-19		
		Drilling Liner Hanger and Tieback Equipment	81-22		
urchase		Drilling Wellhead Equipment	81-80		\$4,500
urchase		Miscellaneous Materials	81-217		\$1,000
	т	OTAL DRILLING - TANGIBLE			\$44,500
_	ונו	RILLING COSTS - INTANGIBLE		ſ	
Contract		Surveying, Location & Access	81-2		\$500
Contract		Well Location & Access	81-5		\$15,00
ontract	36	Daywork Drlg \$6200/24 hour day incl. Fuel	81-36		\$224,00
		Footage Basis Drlg Dry Hole Drilling	81-37		
		Turnkey Driffing	81-38		
Contract		Drilling Rig Mob/Demob	81-39		\$22,00
Ontract		Blowout Prevention Equipment	81-41		
		Drill Pipe & Collars	81-44		
		Drilling & Service Tools	81-45		
		Drilling Services	81-50		
		Snubbing Units, Company	81-62 81-68		
Contract		Snubbing Units, Contract Mud System/Solids Control	81-68		£4.00
Contract		Mud and Mud Services	81-71		\$4,00
Contract		Bits	81-69		\$25,00
COMPACE		Stabilizers, Hole Openers, Underreamers	81-70		\$45,00
		Oil	81-70		
		Grease	81-72		
		Fuel, Diesel (Not furnished by Contractor)	81-74		
Contract		Water			*12.00
Contract			81-336		\$12,00
Contract		Casing Tools and Services	81-90		\$9,00
		Cement and Cementing Service	81-91		\$25,00
Contract		Logging Services, Open Hole	81-93		\$30,00
Cantaga		Logging Services, Cased Hole	81-94		
Contract		Mud Logging	81-95		\$10,00
Contract		Inspection, Pipe & Casing	81-97		\$3,40
		Directional Services	81-101		
		Coring	81-102		
Contract		Formation Testing, Open Hole	81-104		\$5,00
		Formation Testing, Cased Hole	81-105		
C		Well Control Services	81-120		56.50
Contract		Trucking/Transportation, Other	81-126		\$5,50
Contract		Well Test Equipment	81-127		\$2,50
		Fishing Tools and Services Abandoning Tools and Services	81-133 81-136		
C		Sidetracking, Milling Sections, Whipstocks	81-185		62.6
Contract		Miscellaneous Materials	81-217		\$3,50
⁄⁄0 / ∂ ∪ ₁		Contract Labor, Weiging	81-233		\$1,0
c 8.		Contract Labor, Other- \$400/24 hour day	81-237		\$15,0
8		Contract Services, Living Qtrs \$100/day	81-243		\$3,5
Z N		Contract Services, Other	81-266		
. 	799>	Hydrogen Sulfide Testing- \$150/day	81-320		\$4,0
S & A		Spill Control Equipment	81-454		
	·	Computer Hardware- \$25/day	81-568		\$80
75 P. C.	· _ 	Conuno, Field- \$50/day	81-658		\$1,8
က္က ကို မ်ား ကို မ်ား		Regulatory Compliance	81-685		
1 BY: Exhibit No. 101 SION 6: December 1		Company Labor & Burden- \$375/day	81-750		\$13,0
Hearing Date: Company Company C		Overhead	81-770		
\$ \$ \$ \$		Indirect Expense	81-779		
96,00		TOTAL DRILLING - INTANGIBLE			\$480,5
28					1
300					

Region Field Lease Location Mid-Continent Travis Courtman 4 State No. 1 NE/4 Section 4, T19S-R28E, Eddy County, NM Total Depth Drilling Days Compl Days AFE#

ource	Quantity	Feature Cond	A
	COMPLETION COST. TANGER S		
urchase	COMPLETION COST - TANGIBLE 11200 Production Casing (5 1/2* 15.5 & 17 #)	82-15	£03 000
urchase	11200 Production Casing (5 1/2* 15.5 & 17 #) Production Liner	82-18	\$92,000
		82-21	
urchase	Production Liner Hanger & Tieback Equipment 11200 Tubing - 2 3/8" O.D., 4.7#, L-80	82-23	\$36 WW
di Ciiase	11200 Tubing - 2 3/8" O.D., 4.7", L-80 Wellhead Equipment (Drilling)	82-80	\$36,000 \$4,500
urchase	Christmas Tree	82-87	\$9,000
urchase	Packers	82-137	\$6,000
	Rod l'ump	82-143	\$0,000
	Electric Submersible Pump	82-149	
	Completion Wellhead Equipment	82-167	
	TOTAL COMPLETION - TANGIBLE		\$147,500
	COMPLETION COST - INTANGIBLE		
Ontract	Location and Access	82-1	\$1,500
	Drilling Rig During Completion	82-34	\$11,000
Contract	Blowout Preventer	82-41	\$1,500
	Tools - Drilling & Service	82-45	
	Rig, Completion	82-48	<u> </u>
,	Workover Units, Company	82-55	
Contract	Workover Units, Contract	82-56	\$7,500
	Snubbing Units, Company	82-62	
	Coiled Tubing Service Units, Contract	82-67	
	Snubbing Units, Contract	82-68	ļ
	Underreamers, Stabilizers, Hole Openers	82-70	ļ
	Lubricants	82-72	ļ
	Fuel, Diesel	82-74	
	Casing Tools & Services- Longstring	82-90	\$9,00
	Cement & Cementing Services- Longstring	82-91	\$28,00
	Logging Services, Open Hole Wells	82-93	ļ
Contract	Logging Services, Cased Hole Wells	82-94	\$3,50
Contract	Tubular Inspection, Testing & Cleaning	82-96	\$7,00
Contract	Formation Testing	82-103	\$3,00
Contract	Formation Treating	82-113	\$4,00
Contract	Transportation, Other	82-126	\$3,50
Contract	Test Equipment - Well Testing	82-127	\$7,50
	Fishing Tools and Services	82-133	ļ
Contract	Completion and Packer Fluids	82-180	\$1,00
Contract	Perforating	82-182	\$16,00
Contract	Wireline Services	82-183	\$1,50
	Sidetracking, Milling Sections, Whipstocks	82-185	
Contract	Miscellaneous Materials	82-217	\$3,50
Contract	Miscellaneous Services	82-218	\$7,00
Contract	Contract Labor, Laborer	82-234	\$3,00
Contract	Contract Services, Other	82-240	\$7,40
Contract	Treating Chemicals, Other	82-291	\$1,00
Contract	Salt Water Disposall & Trans Fees	<u>82-371</u>	\$1,00
Contract	Rental Tools & Equip.	82-585	\$4,30
<u></u>	Communications - Field	82-658	
ļ	Regulatory Compliance	82-685	
мос	Company Labor & Burden	82-750	\$3,80
	Overhead	82-770	ļ
<u> </u>	Indirect Expense	82-779	\$3,00
1	TOTAL COMPLETION - INTANGIBLE		\$139,50
	TOTAL COMPLETION COSTS		\$287,00

Region Field Lease Mid-Continent Travis Courtman 4 State No. 1 NE/4 Section 4, T19S-R28E, Eddy County, NM Total Depth Drilling Days Compl Days AFE#

ource	Quantity	Feature	Cond A
	FACILITY COSTS		
Purchase	Line Pipe	83-27	\$1,50
Purchase	Transportation, Other	83-126	\$2,50
	Pumping Unit	83-141	
	Pumping Equipment - Rod Pump	83-143	
	Flowing/Plunger Lift Equipment	83-146	
	Submersible Pump - Electric Panel	83-149	
	Submersible Pump - Hydraulic	83-152	
	Gas Lift Equipment	83-155	
	Pumps	83-158	
Purchase	Tanks	83-170	\$10,00
Purchase	Metering Equipment	83-190	\$4,00
	Instrumentation	83-194	
	Electrical Equipment, Other	83-201	
Purchase	Valves	83-205	\$2,50
Purchase	Miscellaneous Materials	83-217	\$10,00
	Contract Labor, Electrical	83-229	
Contract	Contract Labor, Welding	83-233	\$1,00
Contract	Contract Labor, Other	83-237	\$4,00
Contract	Contract Services, Other	83-240	\$2,0
	Compressor Installation	83-365	
Purchase	Dehydration	83-376	\$10,0
	Crude Oil Treaters	83-378	
Purchase	Separator	83-380	\$10,0
	Vapor Recovery Units	83-386	
	Free Water Knockouts	83-388	
	Regulatory Compliance (Includes Permitting)	83-685	
MOC	Company Labor & Burden	83-750	\$2,0
	TOTAL FACILITY COSTS		\$59,5
			
	SUMMARY OF GROSS COSTS		
	Total Drilling		\$525,0
	Total Completion		\$287,0
	Total Surface Equipment		\$59,5
	GRAND TOTAL GROSS COSTS		\$871,5
	SUMMARY OF NET COSTS		
	Total Drilling		
	Total Completion		
	Total Surface Equipment		
	GRAND TOTAL NET COSTS		
	TOTAL TANGIBLE COSTS		\$251,5
	TOTAL INTANGIBLE COSTS		\$620,0
a .	TANGIBLE PERCENT OF TOTAL		28.

PARTICIPANT'S API	PROVAL		<i></i>	_
Participant Name:	BAR	TON	Thust	
Signature:	41300	49	Date: 9/16	/2>
Tilta:	100			

Roy G. Barton, Jr., Trustee of the Roy G. Barton, Sr. & Opal Barton Revocable Trust

UNITED BANK PLAZA 400 N. PENN, SUITE 1000

CHARLES B. READ

Read & Stevens, Inc.

Oil Producers

P. O. Box 1518

Roswell New Mexico 88202

September 22, 1997

Marathon Oil Company P.O. Box 552 Midland, TX 79702-0552

Attn: Tim Robertson

Courtman 4 State No. 1 Re:

NW/4 Sec. 33, T18S-R28E Eddy County, New Mexico R&S #9828W

Mitchusson 4 State No. 1 SW/4 Sec. 4, T19S-R28E Eddy County, New Mexico R&S #9829W

PHONE 505 622-3770 FAX: 505 622-8643

Dear Tim:

Enclosed please find A.F.E.'s for the captioned wells executed on behalf of Read & Stevens, Inc. Also enclosed is a copy of our Geological Requirements.

Respectfully,

READ & STEVENS, INC.

Kim D. Stuart Land Secretary

fks

Enclosures

OIL CONSERVATION COMMISSION BEFORE THE Case No.11883 Exhibit No.__ Marathon Oil Company
Hearing Date: December 4, 1997 Submitted By:

Region Field Lease Mid-Continent Travis Courtman 4 State No. 1 NE/4 Section 4, T19S-R28E, Eddy County, NM Total Depth Drilling Days Compl Days AFE#

425 2700	ILLING COSTS - TANGIBLE Drive Pipe Conductor Pipe- 20", PE Surface Pipe- 13-3/8", 48#, H-40,8rd, STC Casing, Int. String No. 1- 9-5/8" Casing, Intermediate String No. 2 Drilling Liner Drilling Liner Hanger and Tieback Equipment Drilling Wellhead Equipment Miscellaneous Materials PTAL DRILLING - TANGIBLE SURVEYING, Location & Access Well Location & Access Daywork Drlg, - \$6200/24 hour day incl. Fuel Footage Basis Drlg, - Dry Hole Drilling Turnkey Drilling Drilling Rig Moh/Demob Blowout Prevention Equipment Drill Pipe & Collars Drilling Services Snubbing Units, Company Snubbing Units, Contract Mud System/Solids Control Mud and Mud Services Bits Stabilizers, Hole Openers, Underreamers Oil	81-7 81-8 81-9 81-11 81-12 81-19 81-22 81-80 81-217 81-2 81-5 81-36 81-37 81-38 81-39 81-41 81-44 81-45 81-50 81-62 81-68 81-71 81-69 81-70	\$3 \$3 \$3 \$2 \$2	\$9,000 30,000 \$4,500 \$1,000 44,500 \$500 224,000
2700 TO	Conductor Pipe- 20".PE Surface Pipe- 13-3/8",48#,11-40,8rd,STC Casing, Int. String No. 1- 9-5/8" Casing, Intermediate String No. 2 Drilling Liner Drilling Liner Hanger and Tieback Equipment Drilling Wellhead Equipment Miscellaneous Materials DTAL DRILLING - TANGIBLE Surveying, Location & Access Well Location & Access Daywork Drlg \$6200/24 hour day incl. Fuel Footage Basis Drlg Dry Hole Drilling Turnkey Drilling Drilling Rig Moh/Demob Blowout Prevention Equipment Drill Pipe & Collars Drilling & Service Tools Drilling Services Snubbing Units, Company Snubbing Units, Contract Mud System/Solids Control Mud and Mud Services Bits Stabilizers, Hole Openers, Underreamers	81-8 81-9 81-11 81-12 81-19 81-22 81-80 81-217 81-2 81-36 81-37 81-38 81-39 81-41 81-44 81-45 81-50 81-62 81-68 81-71 81-69	\$3 \$3 \$3 \$2 \$2	\$4,500 \$1,000 \$1,000 \$500 \$15,000 \$24,000
2700 TO	Surface Pipe- 13-3/8",48#,H-40,8rd,STC Casing, Int. String No. 1- 9-5/8" Casing, Intermediate String No. 2 Drilling Liner Drilling Liner Hanger and Tieback Equipment Drilling Wellhead Equipment Miscellaneous Materials DTAL DRILLING - TANGIBLE SURVEYING, Location & Access Well Location & Access Daywork Drlg, - \$6200/24 hour day incl. Fuel Footage Basis Drlg, - Dry Hole Drilling Turnkey Drilling Drilling Rig Moh/Demob Blowout Prevention Equipment Drill Pipe & Collars Drilling & Service Tools Drilling Services Snubbing Units, Company Snubbing Units, Contract Mud System/Solids Control Mud and Mud Services Bits Stabilizers, Hole Openers, Underreamers	81-9 81-11 81-12 81-19 81-22 81-80 81-217 81-2 81-5 81-36 81-37 81-38 81-39 81-41 81-44 81-45 81-62 81-62 81-68 81-40 81-71 81-69	\$3 \$3 \$3 \$2 \$2	\$4,500 \$1,000 \$1,000 \$15,000 \$24,000
2700 TO	Casing, Int. String No. 1- 9-5/8" Casing, Intermediate String No. 2 Drilling Liner Drilling Liner Hanger and Tieback Equipment Drilling Wellhead Equipment Miscellaneous Materials OTAL DRILLING - TANGIBLE SULLING COSTS - INTANGIBLE Surveying, Location & Access Well Location & Access Daywork Drlg, - \$6200/24 hour day incl. Fuel Footage Basis Drlg, - Dry Hole Drilling Turnkey Drilling Drilling Rig Moh/Demob Blowout Prevention Equipment Drill Pipe & Collars Drilling & Service Tools Drilling Services Snubbing Units, Company Snubbing Units, Contract Mud System/Solids Control Mud and Mud Services Bits Stabilizers, Hole Openers, Underreamers	81-11 81-12 81-19 81-22 81-80 81-217 81-2 81-5 81-36 81-37 81-38 81-39 81-41 81-44 81-45 81-50 81-62 81-62 81-68 81-71 81-69	\$3 \$3 \$3 \$2 \$2	\$4,500 \$1,000 44,500 \$15,000 24,000
TO	Casing, Intermediate String No. 2 Drilling Liner Drilling Liner Hanger and Tieback Equipment Drilling Wellhead Equipment Miscellaneous Materials DTAL DRILLING - TANGIBLE SILLING COSTS - INTANGIBLE Surveying, Location & Access Well Location & Access Daywork Drlg, - \$6200/24 hour day incl. Fuel Footage Basis Drlg, - Dry Hole Drilling Turnkey Drilling Drilling Rig Mob/Demob Blowout Prevention Equipment Drill Pipe & Collars Drilling & Service Tools Drilling Services Snubbing Units, Company Snubbing Units, Contract Mud System/Solids Control Mud and Mud Services Bits Stabilizers, Hole Openers, Underreamers	81-12 81-19 81-22 81-80 81-217 81-2 81-5 81-36 81-37 81-38 81-39 81-41 81-44 81-45 81-62 81-62 81-68 81-62	\$ \$2	\$4,500 \$1,000 \$44,50 \$50 \$15,00 24,00
DR	Drilling Liner Hanger and Tieback Equipment Drilling Wellhead Equipment Miscellaneous Materials DTAL DRILLING - TANGIBLE SILLING COSTS - INTANGIBLE Surveying, Location & Access Well Location & Access Daywork Drlg, - \$6200/24 hour day incl. Fuel Footage Basis Drlg, - Dry Hole Drilling Turnkey Drilling Drilling Rig Moh/Demob Blowout Prevention Equipment Drill Pipe & Collars Drilling & Service Tools Drilling Services Snubbing Units, Company Snubbing Units, Contract Mud System/Solids Control Mud and Mud Services Bits Stabilizers, Hole Openers, Underreamers	81-19 81-22 81-80 81-217 81-2 81-36 81-36 81-37 81-38 81-39 81-41 81-44 81-45 81-62 81-62 81-68 81-69	\$ \$2 \$2 \$	\$1,000 44,50 \$50 115,00 24,00
DR	Drilling Liner Hanger and Tieback Equipment Drilling Wellhead Equipment Miscellaneous Materials VIAL DRILLING - TANGIBLE CILLING COSTS - INTANGIBLE Surveying, Location & Access Well Location & Access Daywork Drlg, - \$6200/24 hour day incl. Fuel Footage Basis Drlg Dry Hole Drilling Turnkey Drilling Drilling Rig Moh/Demob Blowout Prevention Equipment Drill Pipe & Collars Drilling & Service Tools Drilling Services Snubbing Units, Company Snubbing Units, Contract Mud System/Solids Control Mud and Mud Services Bits Stabilizers, Hole Openers, Underreamers	81-22 81-80 81-217 81-2 81-2 81-5 81-36 81-37 81-38 81-39 81-41 81-44 81-45 81-50 81-62 81-62 81-68 81-40 81-71 81-69	\$ \$2 \$2 \$	\$1,000 44,50 \$50 115,00 24,00
DR	Drilling Wellhead Equipment Miscellaneous Materials PTAL DRILLING - TANGIBLE RILLING COSTS - INTANGIBLE Surveying, Location & Access Well Location & Access Daywork Drlg, - \$6200/24 hour day incl. Fuel Footage Basis Drlg, - Dry Hole Drilling Turnkey Drilling Drilling Rig Moh/Demob Blowout Prevention Equipment Drill Pipe & Collars Drilling & Service Tools Drilling Services Snubbing Units, Company Snubbing Units, Contract Mud System/Solids Control Mud and Mud Services Bits Stabilizers, Hole Openers, Underreamers	81-80 81-217 81-2 81-5 81-36 81-37 81-38 81-39 81-41 81-44 81-45 81-62 81-62 81-68 81-40 81-71 81-69	\$ \$2 \$2 \$	\$1,000 44,50 \$50 115,00 24,00
DR	Miscellaneous Materials PTAL DRILLING - TANGIBLE SURVEYING, Location & Access Well Location & Access Daywork Drlg, - \$6200/24 hour day inct. Fuel Footage Basis Drlg, - Dry Hole Drilling Turnkey Drilling Drilling Rig Moh/Demob Blowout Prevention Equipment Drill Pipe & Collars Drilling & Service Tools Drilling Services Snubbing Units, Company Snubbing Units, Contract Mud System/Solids Control Mud and Mud Services Bits Stabilizers, Hole Openers, Underreamers	81-2 81-5 81-36 81-37 81-38 81-39 81-41 81-44 81-45 81-62 81-62 81-62 81-68 81-40 81-71	\$ \$2 \$2 \$	\$1,000 44,50 \$50 115,00 24,00
DR	STAL DRILLING - TANGIBLE Surveying, Location & Access Well Location & Access Daywork Drlg, - \$6200/24 hour day incl. Fuel Footage Basis Drlg, - Dry Hole Drilling Turnkey Drilling Drilling Rig Mob/Demob Blowout Prevention Equipment Drill Pipe & Collars Drilling & Service Tools Drilling Services Snubbing Units, Company Snubbing Units, Contract Mud System/Solids Control Mud and Mud Services Bits Stabilizers, Hole Openers, Underreamers	81-2 81-36 81-36 81-37 81-38 81-39 81-41 81-44 81-45 81-62 81-62 81-68 81-60 81-71	\$ \$2 \$2 \$	\$50 (15,00 (24,00
DR	Surveying, Location & Access Well Location & Access Daywork Drlg, - \$6200/24 hour day incl. Fuel Footage Basis Drlg Dry Hole Drilling Turnkey Drilling Drilling Rig Moh/Demob Blowout Prevention Equipment Drill Pipe & Collars Drilling & Service Tools Drilling Services Snubbing Units, Company Snubbing Units, Contract Mud System/Solids Control Mud and Mud Services Bits Stabilizers, Hole Openers, Underreamers	81-5 81-36 81-37 81-38 81-39 81-41 81-44 81-45 81-62 81-62 81-68 81-69	\$ \$2 \$2	\$50 115,00 24,00
	Surveying, Location & Access Well Location & Access Daywork Drlg \$6200/24 hour day incl. Fuel Footage Basis Drlg Dry Hole Drilling Turnkey Drilling Drilling Rig Moh/Demob Blowout Prevention Equipment Drill Pipe & Collars Drilling & Service Tools Drilling Services Snubbing Units, Company Snubbing Units, Contract Mud System/Solids Control Mud and Mud Services Bits Stabilizers, Hole Openers, Underreamers	81-5 81-36 81-37 81-38 81-39 81-41 81-44 81-45 81-62 81-62 81-68 81-69	\$2°	24,00
36	Well Location & Access Daywork Drlg \$6200/24 hour day incl. Fuel Footage Basis Drlg Dry Hole Drilling Turnkey Drilling Drilling Rig Mob/Demob Blowout Prevention Equipment Drill Pipe & Collars Drilling & Service Tools Drilling Services Snubbing Units, Company Snubbing Units, Contract Mud System/Solids Control Mud and Mud Services Bits Stabilizers, Hole Openers, Underreamers	81-5 81-36 81-37 81-38 81-39 81-41 81-44 81-45 81-62 81-62 81-68 81-69	\$2°	24,00
36	Daywork Drlg \$6200/24 hour day incl. Fuel Footage Basis Drlg Dry Hole Drilling Turnkey Drilling Drilling Rig Moh/Demob Blowout Prevention Equipment Drill Pipe & Collars Drilling & Service Tools Drilling Services Snubbing Units, Company Snubbing Units, Contract Mud System/Solids Control Mud and Mud Services Bits Stabilizers, Hole Openers, Underreamers	81-36 81-37 81-38 81-39 81-41 81-44 81-45 81-62 81-62 81-68 81-69	\$2°	24,00
30	Footage Basis Drig Dry Hole Drilling Turnkey Drilling Drilling Rig Moh/Demob Blowout Prevention Equipment Drill Pipe & Collars Drilling & Service Tools Drilling Services Snubbing Units, Company Snubbing Units, Contract Mud System/Solids Control Mud and Mud Services Bits Stabilizers, Hole Openers, Underreamers	81-37 81-38 81-39 81-41 81-44 81-45 81-50 81-62 81-68 81-68 81-69	5	22,00
	Turnkey Drilling Drilling Rig Mob/Demob Blowout Prevention Equipment Drill Pipe & Collars Drilling & Service Tools Drilling Services Snubbing Units, Company Snubbing Units, Contract Mud System/Solids Control Mud and Mud Services Bits Stabilizers, Hole Openers, Underreamers	81-38 81-39 81-41 81-44 81-45 81-50 81-62 81-68 81-40 81-71	1	
	Drilling Rig Moh/Demob Blowout Prevention Equipment Drill Pipe & Collars Drilling & Service Tools Drilling Services Snubbing Units, Company Snubbing Units, Contract Mud System/Solids Control Mud and Mud Services Bits Stabilizers, Hole Openers, Underreamers	81-39 81-41 81-44 81-45 81-50 81-62 81-68 81-40 81-71	1	
	Blowout Prevention Equipment Drill Pipe & Collars Drilling & Service Tools Drilling Services Snubbing Units, Company Snubbing Units, Contract Mud System/Solids Control Mud and Mud Services Bits Stabilizers, Hole Openers, Underreamers	81-41 81-44 81-45 81-50 81-62 81-68 81-40 81-71	1	
	Drill Pipe & Collars Drilling & Service Tools Drilling Services Snubbing Units, Company Snubbing Units, Contract Mud System/Solids Control Mud and Mud Services Bits Stabilizers, Hole Openers, Underreamers	81-44 81-45 81-50 81-62 81-68 81-40 81-71		
	Drilling & Service Tools Drilling Services Snubbing Units, Company Snubbing Units, Contract Mud System/Solids Control Mud and Mud Services Bits Stabilizers, Hole Openers, Underreamers	81-45 81-50 81-62 81-68 81-40 81-71 81-69		
	Drilling Services Snubbing Units, Company Snubbing Units, Contract Mud System/Solids Control Mud and Mud Services Bits Stabilizers, Hole Openers, Underreamers	81-50 81-62 81-68 81-40 81-71 81-69		
	Snubbing Units, Company Snubbing Units, Contract Mud System/Solids Control Mud and Mud Services Bits Stabilizers, Hole Openers, Underreamers	81-62 81-68 81-40 81-71 81-69		
	Snubbing Units, Contract Mud System/Solids Control Mud and Mud Services Bits Stabilizers, Hole Openers, Underreamers	81-68 81-40 81-71 81-69		
	Mud System/Solids Control Mud and Mud Services Bits Stabilizers, Hole Openers, Underreamers	81-40 81-71 81-69		
	Mud and Mud Services Bits Stabilizers, Hole Openers, Underreamers	81-71 81-69		\$4,0
	Bits Stabilizers, Hole Openers, Underreamers	81-69		\$25,00
	Stabilizers, Hole Openers, Underreamers			545,0
		01-10		73,0
		81-72		
	Grease	81-72		
		81-74		
	Fuel, Diesel (Not furnished by Contractor) Water	81-336		\$12,0
	Casing Tools and Services	81-90		\$9,0
	Cement and Cementing Service	81-91		\$25,0
	Logging Services, Open Hole	81-93		\$30,0
	Logging Services, Open Fine	81-94		150,0
	Mud Logging	81-95		\$10,0
				\$3,4
				+5,,,
				
				\$5,0
				45,0
				
		····		\$5,5
				\$2,5
				<u> </u>
				\$3,5
				13.0
	2 - 2 - 3 - 3 - 3 - 3 - 3 - 3 - 3 - 3 -			\$15,0
				\$3,5
				\$4,0
				.54,0
		 		\$8
				\$1,8
				\$13,0
	Indirect Expense	81-779		100
•	TOTAL DRILLING - INTANGIBLE		1 2	480,5
		Inspection, Pipe & Casing Directional Services Coring Formation Testing, Open Hole Formation Testing, Cased Hole Well Control Services Trucking/Transportation, Other Well Test Equipment Fishing Tools and Services Abandoning Tools and Services Sidetracking, Milling Sections, Whipstocks Miscellaneous Materials Contract Labor, Welding Contract Labor, Other-\$400/24 hour day Contract Services, Living Qtrs\$100/day Contract Services, Other Hydrogen Sulfide Testing-\$150/day Spill Control Equipment Computer Hardware-\$25/day Commo, Field-\$50/day Regulatory Compliance Cumpany Labor & Burden-\$375/day Overhead	Inspection, Pipe & Casing 81-97	Inspection, Pipe & Casing 81-97 Directional Services 81-101 Coring 81-102 Formation Testing, Open Hole 81-104 Formation Testing, Cased Hole 81-105 Well Control Services 81-120 Trucking/Transportation, Other 81-126 Well Test Equipment 81-127 Fishing Tools and Services 81-133 Abandoning Tools and Services 81-136 Sidetracking, Milling Sections, Whipstocks 81-185 Miscellaneous Materials 81-217 Contract Labor, Weldine 81-233 Contract Labor, Other-\$400/24 hour day 81-237 Contract Services, Living Qtrs\$100/day 81-243 Contract Services, Other 81-266 Hydrogen Sulfide Testing-\$150/day 81-320 Spill Control Equipment 81-454 Computer Hardware-\$25/day 81-568 Commo, Field-\$50/day 81-568 Regulatory Compliance 81-685 Company Labor & Burden-\$375/day 81-750 Overhead 81-770 Indirect Expense 81-779 TOTAL DRILLING - INTANGIBLE

Region Field Lease Mid-Continent
Travis
Courtman 4 State No. 1
NE/4 Section 4,
T19S-R28E, Eddy County, NM

Total Depth Drilling Days Compl Days AFE#

ource	Quantity	·	Feature	Cond A
	cc	OMPLETION COST - TANGIBLE		
urchase	11200	Production Casing (5 1/2" 15.5 & 17 #)	82-15	\$92,00
		Production Liner	82-18	
		Production Liner Hanger & Tieback Equipment	82-21	
urchase	11200	Tubing - 2 3/8" O.D., 4.7%, L-80	82-23	\$36,00
		Wellhead Equipment (Drilling)	82-80	\$4,500
urchase		Christmas Tree	82-87	\$9,000
urchase		Packers	82-137	\$6,00
		Rod Pump	82-143	
		Electric Submersible Pump	82-149	
		Completion Wellhead Equipment	82-167	
	т	OTAL COMPLETION - TANGIBLE		\$147,50
	C	OMPLETION COST - INTANGIBLE		
Contract		Location and Access	82-1	\$1,50
		Drilling Rig During Completion	82-34	\$11,00
Contract		Blowout Preventer	82-41	\$1,50
		Tools - Drilling & Service	82-45	
		Rig, Completion	82-48	
		Workover Units, Company	82-55	
Contract		Workover Units, Contract	82-56	\$7,50
		Snubbing Units, Company	82-62	
		Coiled Tubing Service Units, Contract	82-67	
		Snubbing Units, Contract	82-68	
		Underreamers, Stabilizers, Hole Openers	82-70	
		Lubricants	82-72	
		Fuel, Diesel	82-74	
		Casing Tools & Services- Longstring	82-90	\$9,00
		Cement & Cementing Services- Longstring	82-91	\$28,00
		Logging Services, Open Hole Wells	82-93	
Contract		Logging Services, Cased Hole Wells	82-94	\$3,50
Contract		Tubular Inspection, Testing & Cleaning	82-96	\$7,00
Contract		Formation Testing	82-103	\$3,00
Contract		Formation Treating	82-113	\$4,00
Contract		Transportation, Other	82-126	\$3,50
Contract		Test Equipment - Well Testing	82-127	\$7,50
		Fishing Tools and Services	82-133	
Contract		Completion and Packer Fluids	82-180	\$1,00
Contract		Perforating	82-182	\$16,00
Contract		Wireline Services	82-183	\$1,50
		Sidetracking, Milling Sections, Whipstocks	82-185	
Contract		Miscellaneous Materials	82-217	\$3,50
Contract		Miscellaneous Services	82-218	\$7,00
Contract		Contract Labor, Laborer	82-234	\$3,00
Contract		Contract Services, Other	82-240	\$7,40
Contract		Treating Chemicals, Other	82-291	\$1,00
Contract		Salt Water Disposali & Trans Fees	82-371	\$1,00
Contract		Rental Tools & Equip.	82-585	\$4,30
		Communications - Field	82-658	
mana / 6 - Property or	• • •	"Keguratory Compliance		
мос		Company Labor & Burden	82-750	\$3,80
		Overhead	82-770	
		Indirect Expense	82-779	\$3,00
	7	TOTAL COMPLETION - INTANGIBLE	<u> </u>	\$139,5
	7	TOTAL COMPLETION COSTS		\$287,00

Mid-Continent Travis Courtman 4 State No. 1 NE/4 Section 4, T19S-R28E, Eddy County, NM

Total Depth Drilling Days Compl Days AFE#

Source	Quantity	Feature	Cond	A
	FACILITY COSTS	02.27		
urchase	Line Pipe	83-27		\$1,500
urchase	Transportation, Other	83-126		\$2,50
	Pumping Unit	83-141		
	Pumping Equipment - Rod Pump	83-143		
	Flowing/Plunger Lift Equipment	83-146		
	Submersible Pump - Electric Panel	83-149		
	Submersible Pump - Hydraulic	83-152		
	Gas Lift Equipment	83-155		
	Pumps	83-158		
Purchase Purchase	Tanks	83-170		\$10,00
Purchase	Metering Equipment	83-190		\$4,00
	Instrumentation	83-194		
	Electrical Equipment, Other	83-201		
Purchase	Valves	83-205		\$2,50
Purchase	Miscellaneous Materials	83-217		\$10,00
	Contract Labor, Electrical	83-229		
Contract	Contract Labor, Welding	83-233		\$1,00
Contract	Contract Labor, Other	83-237		\$4,00
Contract	Contract Services, Other	83-240		\$2,00
	Compressor Installation	83-365		
Purchase	Dehydration	83-376		\$10,00
	Crude Oil Treaters	83-378		
Purchase	Separator	83-380		\$10,00
	Vapor Recovery Units	83-386		
	Free Water Knockouts	83-388		
	Regulatory Compliance (Includes Permitting)	83-685		
мос	Company Labor & Burden	83-750		\$2,00
	TOTAL FACILITY COSTS			\$59,50
	SUMMARY OF GROSS COSTS			
	Total Drilling		Ì	\$525,00
	Total Completion			\$287,00
	Total Surface Equipment		· 1	\$59,50
	GRAND TOTAL GROSS COSTS		·	\$871,50
	SUMMARY OF NET COSTS			
	Total Drilling		Ì	
	Total Completion			
	Total Surface Equipment		1	\$
	GRAND TOTAL NET COSTS			
				•
	TOTAL TANGIBLE COSTS			\$251,50
1	TOTAL INTANGIBLE COSTS			\$620,00
	TANGIBLE PERCENT OF TOTAL			28.9

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Read & Stevens, Inc.
By: Charles B. Read, President Participant Name:

Tilte: President

GEOLOGICAL REQUIREMENTS

READ & STEVENS, INC. P. O. BOX 1518 ROSWELL, NEW MEXICO 88202

E OF WEL	L:COURT	MAN 4 STATE NO.	1			
CATION:	NE/4	SECTION 4, T19S-	R28E, EDDY	COUNTY, N	EW MEXICO	
W e re	equest the	number of copies	of well d	ata listed	below:	
	-	nmental Forms &				1
	Drill Ste	n Tests	•		_	2
	Core Anal	vsis				2
LOGS:				Field		Final
<u>1203.</u>	-			FIEIU	 -	FINAL
	Electrica	_		2		2
	Other Ele	ctrical Surveys		2		2
	Mud Logs			2	 -	2
<u>DAILY</u>	Z DRILLING	REPORTS:				
	on said w	ell with full in	y with dai. formation			
<u>COMPI</u>	mail, tel ETION REPO Please fu	ephone, or telef. KT: rnish a copy of	formation ax.	thereon ea	ch day by	
	mail, tel ETION REPO Please fu	ephone, or telef. XT: rnish a copy of n the appropriat	formation ax.	thereon ea	ch day by	,
	mail, tel ETION REPO Please fu filed with ILY C-115 R	ephone, or teleformish a copy of the appropriate of	formation ax. the Well e regulator onthly C-11 Stevens, Inusie Rodric	Completic ry agency. 5 Report and	ch day by on Report	
MONTA	mail, tele ETION REPO Please fu filed with ILY C-115 R Please fur goes on p	ephone, or teleformish a copy of the appropriate of	formation ax. the Well e regulator onthly C-11 Stevens, In the Stevens of the Rodrico State of the State o	Completic ry agency. 5 Report and	ch day by	
MONTH We <u>d</u>	mail, tele ETION REPORE Please fur filed with ILY C-115 R Please fur goes on pro-	ephone, or telef. RT: rnish a copy of the appropriate EPORT: rnish a copy of Moreoduction to: Read & S Attn: So P. O. Bo Roswell Telephone Fax: 50	formation ax. the Well e regulator onthly C-11 Stevens, In usic Rodricox 1518 New Mexicane: 505/622	Completic ry agency. 5 Report anc. que 20 88202 2-3770 testing,	ch day by on Report ofter well coring, es	5c. 3770 3436
MONTH We <u>d</u>	mail, tele ETION REPORE Please fur filed with ILY C-115 R Please fur goes on pro-	ephone, or teleform. ET: rnish a copy of the appropriate of the appr	formation ax. the Well e regulator onthly C-11 Stevens, In usic Rodricox 1518 New Mexicane: 505/622	Completic ry agency. 5 Report anc. que co 88202 2-3770 testing, Office #: Mobile #:	ch day by on Report ofter well coring, es	Ec. 3770 3436
MONTH We <u>d</u>	mail, tele ETION REPORE Please fur filed with ILY C-115 R Please fur goes on pro-	rnish a copy of the appropriate roduction to: Read & Attn: So P. O. Bo Roswell Telephon Fax: 500	formation ax. the Well eregulator onthly C-11 Stevens, In usie Rodricox 1518, New Mexica Revens are: 505/622-8643 r logging, eclogist	Completic ry agency. 5 Report anc. que co 88202 2-3770 testing, Office #: Mobile #:	ch day by ch day by ch day by con Report fter well 505/622-3 505/625-0 505/622-3	5c. 3770 3436 0279
MONTH We <u>d</u>	mail, teld ETION REPORE Please fur filed with RLY C-115 R Please fur goes on pro- se notify:	ephone, or telef. ET: rnish a copy of the appropriate EPORT: rnish a copy of Marcoduction to: Read & Attn: Stander Stande	formation ax. the Well eregulator onthly C-11 Stevens, In usie Rodricox 1518 New Mexicane: 505/622 5/622-8643 r logging, eologist	Completic ry agency. 5 Report and nc. que 20 88202 2-3770 testing, Office #: Mobile #: Fax #:	ch day by ch day by ch day by con Report fter well 505/622-3 505/625-0 505/622-3	5c. 3770 3436 0279

MARTIN YATES, III 1912 - 1985 FRANK W. YATES 1936 - 1986



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210
TELEPHONE (505) 748-1471

September 11, 1997

S. P. YATES
CHAIRMAN OF THE BOARD
JOHN A. YATES
PRESIDENT
PEYTON YATES
EXECUTIVE VICE PRESIDENT
RANDY G. PATTERSON
SECRETARY
DENNIS G. KINSEY
TREASURER

Marathon Oil Company Attn: Tim B. Robertson P.O. Box 552 Midland, TX 79702-0552

RE:

Well Proposal - Courtman 4 State No.1 Township 19 South, Range 28 East Section 4: Lot(s) 1-4, S/2 N/2 Eddy County, New Mexico

Dear Mr. Robertson:

Please find enclosed your Authority for Expenditure executed by Yates Petroleum Corporation for the drilling of the captioned well subject to receipt and execution of a mutually acceptable Operating Agreement.

Very truly yours,

YATES PETROLEUM CORPORATION

Robert Bullock Landman

RB/nf Enclosure(s)

BEFORE THE
OIL CONSERVATION COMMISSION
Case No.11883 Exhibit No.—
Submitted By:
Submitted By:
Marathon Oil Company
Hearing Date: December 4, 1997

RECEIVED

SEP 1 5 1997

MARATHON OIL COMPANY MCR LAND DEPARTMENT

Region Field Lease Location Mid-Continent Travis Courtman 4 State No. 1 NE/4 Section 4, T19S-R28E, Eddy County, NM Total Depth Drilling Days Compl Days AFE#

urce	Quantity		Feature	Cond A
	DI	RILLING COSTS - TANGIBLE		•
		Drive Pipe	81-7	ļ
irchase		Conductor Pipe- 20*,PE	81-8	
rchase	425	Surface Pipe- 13-3/8",48#,11-40,8rd,STC	81-9	\$9,000
rchase	2700	Casing, Int. String No. 1-9-5/8"	81-11	\$30,000
		Casing, Intermediate String No. 2	81-12	
		Drilling Liner	81-19	
		Drilling Liner Hanger and Tieback Equipment	81-22	
rchase		Drilling Wellhead Equipment	81-80	\$4,500
rchase		Miscellaneous Materials	81-217	\$1,00
	т	STAL DRILLING - TANGIBLE		\$44,50
	DI	RILLING COSTS - INTANGIBLE		
mtract		Surveying, Location & Access	81-2	\$50
ontract		Well Location & Access	81-5	\$15,00
miract	36	Daywork Drlg, - \$6200/24 hour day incl. Fuel	81-36	\$224,00
		Footage Basis Drlg Dry Hole Drilling	81-37	
		Turnkey Dritting	81-38	
outract		Drilling Rig Mob/Demob	· 81-39	\$22,00
ontract		Blowout Prevention Equipment	81-41	
		Drill Pipe & Collars	81-44	
		Drilling & Service Tools	81-45	
		Drilling Services	81-50	
		Snubbing Units, Company	81-62	
		Snubbing Units, Contract	81-68	
ontract		Mud System/Solids Control	81-40	\$4,00
ontract		Mud and Mud Services	81-71	\$25,00
omract		Bits	81-69	\$45,0
		Stabilizers, Hole Openers, Underreamers	81-70	
		Oil		
			81-72	
		Grease	81-72	
		Fuel, Diesel (Not furnished by Contractor)	81-74	
Contract		Water	81-336	\$12,00
ontract		Casing Tools and Services	81-90	\$9,00
Contract		Cement and Cementing Service	81-91	\$25,00
Contract		Logging Services, Open Hole	81-93	\$30,00
		Logging Services, Cased Hole	81-94	
Contract		Mud Logging	81-95	\$10,0
Contract		Inspection, Pipe & Casing	81-97	\$3,4
		Directional Services	81-101	
		Coring	81-102	
Contract		Formation Testing, Open Hole	81-104	\$5,0
		Formation Testing, Cased Hole	81-105	
		Well Control Services	81-120	
Contract		Trucking/Transportation, Other	81-126	\$5,5
Contract		Well Test Equipment	81-127	\$2,5
		Fishing Tools and Services	81-133	
		Abandoning Tools and Services	81-136	
<u></u>		Sidetracking, Milling Sections, Whipstocks	81-185	
Contract		Miscellaneous Materials	81-217	\$3,5
Comme		Contract Labor, Welding	81-233	\$1,0
Contract		Contract Labor, Other- \$400/24 hour day	81-237	\$15,0
Contract		Contract Services, Living Qtrs \$100/day	81-243	\$3,5
		Contract Services, Other	81-266	
Contract		Hydrogen Sulfide Testing- \$150/day	81-320	\$4,0
		Spill Control Equipment	81-454	
Contract		Computer Hardware- \$25/day	81-568	\$8
Contract		Commo, Field- \$50/day	81-658	\$1,8
	····	Regulatory Compliance	81-685	
мос			81-750	\$13,0
WICE.		Company Labor & Burden- \$375/day		31.3,0
		Overhead	81-770	
		T. C		1
		Indirect Expense	81-779	
		Indirect Expense TOTAL DRILLING - INTANGIBLE	81-7/9	\$480,5

Region Field Lease Location Mid-Continent Travis Courtman 4 State No. 1 NE/4 Section 4, T19S-R28E, Eddy County, NM Total Depth Drilling Days Compl Days AFE#

ource	Quantity		Feature	Cond A
	cc	OMPLETION COST - TANGIBLE		
urchase	11200	Production Casing (5 1/2* 15.5 & 17 #)	82-15	\$92,000
01011230	11200	Production Liner	82-18	\$72,000
		Production Liner Hanger & Tieback Equipment	82-21	
urchase	11200	Tubing - 2 3/8" O.D., 4.7#, L-80	82-23	\$36,000
	1.250	Wellhead Equipment (Drilling)	82-80	\$4,500
urchase		Christmas Tree	82-87	\$9,000
urchase		Packers	82-137	\$6,000
		Rod Punip	82-143	30,532
		Electric Submersible Pump	82-149	
		Completion Wellhead Equipment	82-167	
	'Te	OTAL COMPLETION - TANGIBLE		\$147,500
	C	OMPLETION COST - INTANGIBLE		
Contract		Location and Access	82-1	\$1,500
		Drilling Rig During Completion	82-34	\$11,000
Contract		Blowout Preventer	82-41	\$1,500
		Tools - Drilling & Service	82-45	
		Rig, Completion	82-48	
		Workover Units, Company	82-55	
Contract		Workover Units, Contract	82-56	\$7,500
		Snubbing Units, Company	82-62	
		Coiled Tubing Service Units, Contract	82-67	
		Snubbing Units, Contract	82-68	
		Underreamers, Stabilizers, Hole Openers	82-70	
		Lubricants	82-72	
		Fuel, Diesel	82-74	
		Casing Tools & Services- Longstring	82-90	\$9,00
		Cement & Cementing Services- Longstring	82-91	\$28,00
		Logging Services, Open Hole Wells	82-93	
Contract		Logging Services, Cased Hole Wells	82-94	\$3,50
Contract		Tubular Inspection, Testing & Cleaning	82-96	\$7,00
Contract		Formation Testing	82-103	\$3,00
Contract		Formation Treating	82-113	\$4,00
Contract		Transportation, Other	82-126	\$3,50
Contract		Test Equipment - Well Testing	82-127	\$7,50
		Fishing Tools and Services	82-133	
Contract		Completion and Packer Fluids	82-180	\$1,00
Contract		Perforating	82-182	\$16,00
Contract		Wireline Services	82-183	\$1,50
		Sidetracking, Milling Sections, Whipstocks	82-185	
Contract		Miscellaneous Materials	82-217	\$3,50
Contract		Miscellaneous Services	82-218	\$7,00
Contract		Contract Labor, Laborer	82-234	\$3,00
Contract		Contract Services, Other	82-240	\$7,40
Contract		Treating Chemicals, Other	82-291	\$1,00
Contract		Salt Water Disposall & Trans Fees	82-371	\$1,00
Contract		Rentat Tools & Equip.	82-585	\$4,30
		Communications - Field	82-658	
		Regulatory Compliance	82-685	
мос		Company Labor & Burden	82-750	\$3,80
		Overhead	82-770	
		Indirect Expense	82-779	\$3,00
		TOTAL COMPLETION - INTANGIBLE		\$139,50
		TOTAL COMPLETION COSTS		\$287,00

Region Field Lease Mid-Continent
Travis
Courtman 4 State No. 1
NE/4 Section 4,
T19S-R28E, Eddy County, NM

Total Depth Drilling Days Compl Days AFE#

Source	Quantity	Feature	Cond	A
	FACILITY COSTS		1	
Purchase	Line Pipe	83-27		\$1,500
Purchase	Transportation, Other	83-126		\$2,50
	Pumping Unit	83-141		
	Pumping Equipment - Rod Pump	83-143		
	Flowing/Plunger Lift Equipment	83-146		
	Submersible Pump - Electric Panel	83-149		
	Submersible Pump - Hydrausic	83-152		
	Gas Lift Equipment	83-155		
	Pumps	83-158		
Purchase	Tanks	83-170		\$10,00
Purchase	Metering Equipment	83-190		\$4,00
	Instrumentation	83-194		
	Electrical Equipment, Other	83-201		
Purchase	Valves	83-205		\$2,50
Purchase	Miscellaneous Materials	83-217		\$10,00
	Contract Labor, Electrical	83-229		
Contract	Contract Labor, Welding	83-233		\$1,00
Contract	Contract Labor, Other	83-237		\$4,00
Contract	Contract Services, Other	83-240		\$2,00
	Compressor Installation	83-365		
Purchase	Dehydration	83-376		\$10,00
	Crude Oil Treaters	83-378		
Purchase	Separator	83-380		\$10,00
	Vapor Recovery Units	83-386		
	Free Water Knockouts	83-388		
	Regulatory Compliance (Includes Permitting)	83-685		
мос	Company Labor & Burden	83-750		\$2,0
	TOTAL FACILITY COSTS			\$59,50
	SUMMARY OF GROSS COSTS			
	Total Drilling			\$525,0
	Total Completion			\$287,0
	Total Surface Equipment			\$59,5
	GRAND TOTAL GROSS COSTS		Ī	\$871,5
	SUMMARY OF NET COSTS			
	Total Drilling		į	
	Total Completion		ļ	
	Total Surface Equipment		1	
	GRAND TOTAL NET COSTS			
İ	TOTAL TANGIBLE COSTS			\$251,5
ļ	TOTAL INTANGIBLE COSTS			\$620,0
B				

PARTICIPANT'S APPROVAL

Participant N	lame: <u>14 78.</u>	5 PETROLEUM	CORPORA TION	2.25779 %
Signature:	John	fat h	Date:	10-97
Tilte:	Vical	PRESIDE	A	

Mid-Continent Region Production United States



P.O. Box 552 Midland, TX 79702-0552 Telephone 915/682-1626

December 1, 1997

Mr. Joe Pulido Maralo, Inc. MRL Partners, LP Lowe Partners, LP L. R. French, Jr. 5151 San Felipe St., Ste. 400 Houston, TX 77056-3607

Re: Ter

Term Assignment

Our Lease NM-6017 - State of New Mexico Lease No. OG-605

Lots 1, 2, S/2 NE/4 Section 4, T-19-S, R-28-E,

161.04 gross acres, more or less Eddy County, New Mexico

Gentlemen:

This is to confirm our agreement to purchase a Term Assignment on the captioned acreage which is within the spacing unit for the Courtman 4 State No. 1 Well. The terms of this assignment would include:

- 1. 2-year term,
- 2. \$300 per net mineral acre,
- 3. Delivery of 78% net revenue interest and
- 4. 180-day continuous drilling provision.

Our records show your working interests in this tract are:

	PERCENT	NET ACRES
Maralo, Inc.	7.8125%	12.59
Lowe Partners, LP	25.0000%	40.26
MRL Partners, LP	12.5000%	20.13
L. R. French, Jr.	12.5000%	20.13
TOTAL	57.8125%	93.11

Although record title is as shown above, you advise that prior to assignment to Marathon the interests and bonuses should be as shown below:

BEFORE THE

TERM ASSIGNMENT December 1, 1997 Page -2-

Sincerely,

COMPANY	PERCENT W.I.	NET ACRES	BONUS
LOWE PARTNERS, LP	28.90625%	46.555	\$13,966.50
L. R. FRENCH, JR.	28.90625%	46.555	\$13,966.50
TOTAL	57.8125%	93.11	\$27,933.00

This Agreement is subject to the Parties' agreement upon a mutually acceptable term assignment. If this correctly states our agreement, please sign and return one (1) copy of this letter.

I will send a draft Term Assignment soon.

Advanced Landman		
ΓBR; mmc′	•	
c: L. R. French, J P. O. Box 1132 Midland, TX	27	AGREED TO AND ACCEPTED this, 1997.
AGREED TO AND A		LOWE PARTNERS, LP
L. R. French, Jr.	• • • • • • • • • • • • • • • • • • •	By: Its: MRL PARTNERS, LP
		By: Its: MARALO, INC.
		Ru

Its:

Mid-Continent Region Production United States



P.O. Box 552 Midland, TX 79702-0552 Telephone 915/682-1626

LAND DEPARTMENT

FAX COVER and SHEET Mail
DATE: 4226-207 12-1-97
TO: Mr. Jue Pulido COMPANY: Marulo Ina. LOCATION: Houston
PANAFAX NUMBER: 713-960-1672
NUMBER OF PAGES (including cover sheet):
FROM: Tim Robertson
COMPANY: Marathon Oil Company
LOCATION: Land Department, Midland, TX
PANAFAX NUMBER: (915) 687-8483
If you do not receive all pages, please call back ASAP
Telephone: 915-687-8490
Comments: Let me Know it there are any
problems with this.

Mid-Continent Region Production United States



P.O. Box 552 Midland, TX 79702-0552 Telephone 915/682-1626

December 1, 1997

Mr. Joe Pulido Maralo, Inc. MRL Partners, LP Lowe Partners, LP L. R. French, Jr. 5151 San Felipe St., Ste. 400 Houston, TX 77056-3607

Re:

Term Assignment

Our Lease NM-6017 - State of New Mexico Lease No. OG-605

Lots 1, 2, 8/2 NF/4 Section 4, T-19-5, R-28-E.

161.04 gross acres, more or less Eddy County, New Mexico

Gentlemen:

This is to confirm our agreement to purchase a Term Assignment on the captioned acreage which is within the spacing unit for the Courtman 4 State No. 1 Well. The terms of this assignment would include:

- 1. 2-year term,
- \$300 per net mineral acre,
- 3. Delivery of 78% net revenue interest and
- 4. 180-day continuous drilling provision.

Our records show your working interests in this tract are:

Maralo, Inc.	7.8125%	12.59
Lowe Partners, LP	25.0000%	40.26
MRL Partners, LP	12.5000%	20,13
L. R. French, Jr.	12.5000%	20.13
TOTAL	57.8125%	93.11

Although record title is as shown above, you advise that prior to assignment to Marathon the interests and bonuses should be as shown below:

A subsidiary of USX Corporation

TERM ASSIGNMENT December 1, 1997 Page -2-

		学是表现	
LOWE PARTNERS, LP	28.90625%	46.555	\$13,966.50
L. R. FRENCH, JR.	28.90625%	46.555	\$13,966.50
TOTAL	57.8125%	93.11	\$27,933.00

This Agreement is subject to the Parties' agreement upon a mutually acceptable term assignment. If this correctly states our agreement, please sign and return one (1) copy of this letter.

I will send a draft Term Assignment soon.

Sincerely,	
Lim Robertson	
Tim Robertson, CPL Advanced Landman	
TBR; mmc'	
xe: L. R. French, Jr. P. O. Box 11327 Midland, TX 79702-8327	AGREED TO AND ACCEPTED this 2001 day of Decarlow, 1997.
AGREED TO AND ACCEPTED this day of 1997.	* LOWE PARTNERS, LB / Roue
*L. R. French, Jr.	By: MARY RALPH LOWE, President Its: Meralo, Inc., Managing Partner
	By: MARY RALPH/LOWE Its: Managing Partner
	* MARALO, INC.

*Limited to Leasehold Rights presently owned.

TOTAL P.03

12/02/97 11:26 MARALO INC. + 19156851912 * DEC-61-1997 15:88 FROM MARATHON DIL COMPRNY

ND.587 P002

Mid-Continent Region Production United States



P.O. Box 862

December 1, 1997

Mr. Joe Pulido Maralo, Inc. MRL Partners, LP Lowe Partners, LP L. R. French, Jr. 5151 San Felipe St., Ste. 400 Houston, TX 77056-3607

Re:

Term Assignment

Our Lease NM-6017 - State of New Mexico Lease No. OG-605 Lots 1, 2, 8/2 NE/4 Section 4, T-19-8, R-28-R.

161.04 gross acres, more or less Eddy County, New Mexico

This is to confirm our agreement to purchase a Term Assignment on the captioned acreage which is within the spacing unit for the Courtman 4 State No. 1 Well. The terms of this assignment would include:

- 2-year term,
- 2 \$300 per net mineral sere,
- Delivery of 78% not revenue interest and 180-day continuous drilling prevision. 3.

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Lowe Pariners, LP	25.0000%	40.26
MRL Partners, LP	12.8000%	20.13
L. R. French, Jr.	12.9000%	20.18
TOTAL	57.8125%	93.11

Although record title is an shown above, you advise that prior to assignment to Marethon the interests end konneces should be as shown below:

A subsidiary of USIX Corporation

TERM ASSIGNMENT November 26, 1997 Page -2-

COMPANY	B akaayawa	Nerl'Acres	BONUS
LOWE PARTNERS, LP	28.90625%	46.555	\$13,966.50
L. R. FRENCH, JR.	28.90625%	46.555	\$13,966.50
TOTAL	57.8125%	93.11	\$27,933.00

If this correctly states our agreement, please sign and return one (1) copy of this letter.

I will send a draft Term Assignment soon.

φ.	Roberts
'Lum	Koluntz

Tim Robertson, CPL Advanced Landman

TBR,mmc'

Sincerely,

xc:

L. R. French, Jr. P. O. Box 11327

Midland, TX 79702-8327

agreed to and accepted this day of Decenser 1997	day of, 1997. ** LOWE PARTNERS, LP
L. R. French, Jr.	By:
y maralo, inc.	Its:
	Erma Lowe
By: Its:	✓ MRL PARTNERS, LP
	By:
w.l.m.tad to Leavehold Rights	Its:

presently owned