#1 Parachute Adams Section 3, T16S, R35E Lea County, NM

8-6-98, Division Order R-11028 was entered by the OCD 8-6-98 covering Lots 9-16 of Section 3 for the drilling of the Parachute Hopper #1 Well. Subsequent to the entering of this order, we obtained additional geological information in this very active area which caused us to alter the geological interpretation for this area, and thus the necessity to form this new spacing unit for the Parachute Adams #1 Well to be located in Lots 9, 10, 15, 16 and SE/4 of Section 3. See Chronology for original Parachute Hopper #1 Well for additional work on the mineral and leasehold owners under these lands prior to the dates below. Said Chronology is attached hereto. Supporting documents were introduced and made a part of the record in OCD Case No. 11994.

9-25-98, Called Amerind 682-8217 and requested to speak to Bob Leibrock. He was out of town until Monday, so I spoke with Mary Ann Brock and told her that we wanted to drill a well in the S/2/3rds of the E/2 to test the Atoka Morrow and the lower Mississippian. She said that they would like to see a well drilled, especially with the delays in Section 2. She would have Bob Leibrock call me Monday. I also mailed a proposal letter to drill this well general mail, along with an AFE.

9-25-98, hired lease broker to make personal contact with the unleased mineral owners under the $\overline{N/2SE/4}$ and SE/4SE/4 of Section 3 in an attempt to acquire oil and gas leases covering their mineral estates. Broker made numerous phone calls, mailed offer letters, and made personal visits to some of these mineral owners in an effort to acquire leases.

9-30-98, DHA met with Bob Leibrock with Amerind who owns several oil and gas leases in the N/2SE/4 and SE/4SE/4 to discuss drilling this well.

10-2-98, mailed offer letters to all unleased mineral owners and other uncommitted parties to participate in the drilling of this test well, grant term assignment or lease. Also mailed ones to Mobil, Bristol, Shidler, Cone and Five States 10-5-98, who own leasehold estates under this proposed unit..

10-13-98, received letter from DC Trust offering to sell their interest in the tract.

10-15-98, received signed AFE from Roy G. Barton Trust for the Parachute Adams well.

10-22-98, received signed AFE from Marjorie Cone Kastman for the Parachute Adams well.

10-29-98, received letter from Clifford R. Cone indicating that he wishes to participate, but wants a copy of JOA. JOA mailed 10-30-98.

10-29-98, following several phone conversations, met with Bristol representatives to review prospect. Said would participate or grant term assignment 1 year, 22.5 % burdens. Awaiting confirmation of agreement with formal documents.

10-29-98, met with Amerind and delivered JOA. Indicated they would probably participate. Said we would hear from them on Monday.

10-30-98, met with Mark Shidler, with Mark Shidler, Inc. He agreed to participate in the drilling of the well. Awaiting confirmation of agreement with formal documents.

11-2-98, received letter from DC Trust indicating they were considering participating and to please send JOA. JOA mailed 11-3-98.

11-2-98, reached agreement to acquire term assignment from Mobil and Five States. Awaiting confirmation of agreement with formal documents.

ATTACHED TO CHRONOLOGY FOR PARACHUTE ADAMS #1 WELL

#1 Parachute Hopper Section 3, T16S, R35E Lea County, NM

Chronology:

September, 1997, on behalf of David Arrington Oil & Gas, Inc., begin land work on determining mineral ownership under prospect acreage. Begin acquiring oil and gas leases covering unleased mineral estate. Begin negotiations with the current record leasehold owners to acquire term assignments and/or farmouts covering said leasehold estate.

November 11, 1998, mailed offer letter to Mark L. Shidler, Inc., as a follow up to a phone conversation the previous week, wherein we requested a term assignment covering its leasehold estate under Lots 9, 10, 11 and 12 of Section 3. Mr. Shidler later advised by letter that they were not interested in our proposal.

November 18, 1997 talked to Mr. Larry Petrie, the A. L. Cone Estate representative according to the receptionist answering the phone. Advised him of Arrington's request to acquire an oil and gas lease covering the interest of A. L. Cone Estate under Lots 13, 14, 15, 16 of Section 3, T16S, R35E, Lea County, NM. Mailed offer letter dated November 18, 1997 to Mr. Petrie at PO Box 3457, Lubbock, TX 79452, the address given me over the phone.

December 29, 1997, talked to Mr. Petrie on the phone regarding our proposal. He apologized for not having yet responded, but said that he will try to look at it after the first part of the year because he was trying to tie up year-end items. At least two messages were left on Mr. Petrie's answering machine requesting that he return our calls to discuss this matter. No calls were returned.

April 1, 1998, spoke with Mr. Ed Watts with Bristol Resources advising of our interest in acquiring a term assignment of their leasehold estate under Lots 9, 10, 11, and 12 of Section 3. Mr. Watts advised that Bristol did not like to enter into term assignments.

April 24, 1998, David Arrington called Mr. Petrie's office to discuss the proposal for the lease, and spoke to Ms. Cook who stated that "this property is not for lease."

May 8, 1998, forwarded to Mr. Petrie, certified mail, a letter proposing the drilling of this well, along with an AFE, requesting that they participate in this well. In the event they elected to not participate, we requested that they grant an oil and gas lease covering their interest.

May 8, 1998, called Mr. Jerry L. Hooper to make offer to acquire a top oil and gas lease covering his, and his wife's, mineral estate under Lots 13, 14, 15, 16 of Section 3, T16S, R35E, Lea County, NM. Left word with a lady answering the phone for Mr. Hooper to call me. Robert Hooper returned my call and I made verbal offer to Robert Hooper of \$152.00 per acre bonus (including paid up rentals), 25% royalty and three (3) year term. Mailed certified mail on May 9, 1998, a letter proposing the drilling of this well, along with an AFE, requesting that they participate in this well. In the event they elected to not participate, we requested that they grant an oil and gas lease covering their interest under the terms as outlined above. He said that they would not lease for that little of money.

May 9, 1998, mailed certified mail, to Jimmy J. Hooper and wife Lynne Hooper a letter proposing the drilling of this well, along with an AFE, requesting that they participate in this well. In the event they elected to not participate, we requested that they grant an oil and gas lease covering their interest under the terms as outlined above.

May 9, 1998, forwarded to Bristol Resources, certified mail, a letter proposing the drilling of this well, along with an AFE, requesting that they participate in this well. In the event they elected to not participate, we requested that they grant a term assignment of their leasehold estate under Lots 9, 10, 11, and 12 of Section 3.

May 9, 1998, forwarded to Mark L. Shidler, certified mail, a letter proposing the drilling of this well, along with an AFE, requesting that they participate in this well. In the event they elected to not participate, we requested that they grant a term assignment of their leasehold estate under Lots 9, 10, 11, and 12 of Section 3.

May 14, 1998, received as undeliverable the certified letter sent to Jerry L. Hooper and wife Margaret A. Hooper, PO Box 2126, Roswell, NM 88202. I called the number listed for Mr. Hooper 505-623-0415 and left a message on machine for Robert Hooper, requesting that he call me. I have previously spoke to Robert Hooper on the phone wherein he requested that we submit for their review a farmout option on the letter proposing the well. I informed him that as a mineral owner, our offer was for an oil and gas lease, or their participation in the well.

May 18, 1998, I called the number listed for Mr. Hooper 505-623-0415 and left a message on machine for Robert Hooper, requesting that he call me to discuss this matter.

May 18, 1998, I called and visited with a lady answering the phone. She said that they had received our offer letter, but that Mr. Petree had not been in the office since it arrived. She said she would try to visit with him tonight and have him call me.

May 18, 1998, I called and visited with Mark L. Shidler, who acknowledged receipt of our letter. He has not yet evaluated it, but will shortly and will call back. He was curious if this well would be completed in the same zone as his producer in Lot 10. I was not sure.

May 18, 1998, I called and visited with Ed Watts with Bristol (918) 523-3065. They have looked at it but have made no decision. They are also being pooled in the Section 2, east of this tract.

May 19, 1998, Robert Hooper returned my phone calls on his cell phone and left me a message to call him back. I called him at 505-420-0837. It was a bad connection and he had to call me back several times. He basically said he wanted a farmout option, along with the other options. I told him that it was our understanding that the leases covering these minerals would be expiring June 12, 1998, and his options at that time would be to participate or lease. I told him that our offer to owners of existing leases were a one year term assignment, delivering a 77.5% net revenue interest. He said that he was going to shop our offer and that there was no way they would lease for \$152.00 per acre. He said he would lease to us right now for \$10,000.00, ¼ royalty and 2 year term. The phone line went dead before we could discuss that further.

May 21, 1998, mailed certified letter to Norwest Bank, Trustee of the Simmons Trusts requesting them to participate or lease. We also had a gentleman go to Ms. Carin Hoch's office, Trustee, to get the lease we previously agreed to: 2yr, 1/5th and \$150.00 Acre. She said it would be at least 3 weeks to get the lease. We received fax dated May 22, 1998 from Norwest bank stating that we should have the lease next Monday or Tuesday. As of June 9, 1998 we still had not received it. I called Norwest Bank and left a message on Carin Hoch's answering machine to please call me concerning the status of this lease.

June 9, 1998, mailed copy of the Joint Operating Agreement to be used for this well to Robert Hooper pursuant to his verbal request.

June 18, 1998, talked to Carin Hoch, Norwest Bank, re Simmons Trust. They have agreed to lease under the terms negotiated, utilizing a lease form we have agreed to.

June 18, 1998, left word of Ed Watts answering machine, Bristol Resources for him to call me to discuss our proposal. Message said he was out of the office but would be checking his messages.

June 18, 1998, left message on Robert Hooper's answering machine requesting that he call me to discuss proposal and to make certain that he had received the JOA.

June 18, 1998, called Mr. Larry Petree and left message with lady asking that he call me to discuss our proposal. She said she thought she had or pooling letter and that she would try to get him the message. He had been out of town and very busy.

June 18, 1998, called Mark L. Shidler. Visited with Greg Gregson who said they were not interested in granting a no bonus lease. I explained the term assignment theory to him. He said he would ask Mr. Shidler to call me back.

June 22, 1998, Robert Hooper returned my phone call of June 18 and said he received the JOA I had sent to him. He made no comment regarding its contents or whether he had reviewed it. I told him the hearing had been postponed due to a scheduling conflict with our attorney. He advised that he had requested an extension.

June 23, 1998, Mark L. Shidler called and said they would participate for their proportionate share of this well. He expressed concern about our completing the well up-hole in the same zone as their well in Lot 10, however I told him so long as the location was legal at the current location then we would reserve the right to complete in that zone.

June 30, 1998, called Larry Petree and spoke with Annie Lee Cook. She said that she had given my messages to Mr. Petree, and that he had intended to call me. He lost the number and she gave it to him again.

June 30, 1998, I called Ed Watts with Bristol (918) 523-3065 and left word on answering machine for him to call me. Phone call not returned.

July 1, 1998, Robert Hooper called and said they did not receive notice of the continuance in the hearing, which I had verbally told him about. He wanted a financial statement on David H. Arrington Oil & Gas, Inc. since he did not own an interest in the force pooling. He wanted copies of our geology. He said he would fight us to get the well delayed since there were two wells drilling now in Section 2 to the east. I told him that we would furnish him with any information that the commission required us to. He also said he would lease for \$500.00 per acre. He also said that he didn't speak to his father, Jerry L. Hooper and that he lived in Las Vegas, NM. His number is 505-425-6609. He also said he did not pick up a letter that was sent certified for Jerry Hooper since he did not represent him.

July 1, 1998, called Ms. Cooke at A. L. Cone Partnership and she said that we could not make a deal to lease prior to the hearing, and that they would wait to see what the commission ordered.

July 1, 1998, I called Ed Watts with Bristol (918) 523-3065 and left word on answering machine for him to call me.

Subsequent to the above dates and prior to the issuance of the Division Order R-11028 on August 6, 1998, we reached an agreement to lease the interests of Jimmy J. Hooper et ux, Jerry L. Hooper et ux, and Norwest Bank Trustee.

P.O. BOX 564 ROSWELL, NEW MEXICO 88202

Enick E. Diffee

(505) 622-3294

September 28, 1998



Ms. Mary A. Irwinsky 4404 Odessa Avenue Fort Worth, Texas 76133

RE:

North Airport Prospect Lea County, New Mexico

Dear Ms. Irwinsky:

As you may recall, we had a telephone conversation on September 4, 1998, in which I expressed my desire to acquire an oil and gas lease on behalf of David H. Arrington Oil & Gas, Inc. covering your mineral interest in the SE/SE/4 of Section 3, T-16-S, R-35-E, N.M.P.M., Lea County, New Mexico. I would like to include your mineral interest in the SW/4SW/4 of Section 2, T-16-S, R-35-E, N.M.P.M., Lea County, New Mexico.

We are in the process of finalizing our leasing activity on this project and have plans to commence drilling operations in the near future. It would be very helpful if you could call me when the interest has been assigned by you and your family members to the partnership.

Your response to this request will be greatly appreciated and I will anticipate hearing from you at your earliest convenience.

Sincerely,

P.O. BOX 564 ROSWELL, NEW MEXICO 88202

Enick E. Diffee (505) 622-3294



September 28, 1998

Ms. Katherine Cone Keck 1801 Avenue of the Stars, Suite 446 Los Angeles, California 90067

RE: North Airport Prospect

Lea County, New Mexico

Dear Ms. Keck:

As you may recall, I previously mailed a letter dated September 1, 1998, in which an offer was extended on behalf of David H. Arrington Oil & Gas, Inc. to acquire an oil and gas lease covering your mineral interest in the SE/SE/4 of Section 3, T-16-S, R-35-E, N.M.P.M., Lea County, New Mexico. I would like to amend the offer to also include your mineral interest in the SW/4SW/4 of Section 2, T-16-S, R-35-E, N.M.P.M., Lea County, New Mexico.

We are in the process of finalizing our leasing activity on this project and have plans to commence drilling operations in the near future. It would be very helpful if you could call me to discuss our offer and to answer any specific questions you may have about our plans for development.

Your response to this request will be greatly appreciated and I will anticipate hearing from you at your earliest convenience.

Sincerely,

Omni Oil Properties

P.O. BOX 564 ROSWELL, NEW MEXICO 88202

Enick E. Diffee (505) 622-3294

COPY

September 29, 1998

Mrs. Joan Garrison 5221 Ira Street Fort Worth, Texas 76117

RE: Pato Arriendo Prospect

Lea County, New Mexico

Dear Mrs. Garrison:

According to the records contained within Lea County, New Mexico, it appears you own a 0.084 net acre mineral interest in the following described lands:

Township 16 South, Range 35 East Section 2: SW/4SW/4 Section 3: N/2SE/4, SE/4SE/4

On behalf of David H. Arrington Oil & Gas, Inc., I would like to extend an offer to acquire an oil and gas lease covering the aforementioned interest based on the terms of \$100.00 per acre bonus consideration, 3/16 royalty, \$1.00 per acre rental for a three (3) year primary term.

Your consideration of our offer is appreciated and we will anticipate a response at your earliest convenience.

Sincerely,

P.O. BOX 564 ROSWELL, NEW MEXICO 88202

Enick E. Diffee (505) 622-3294



September 29, 1998

Ms. Marjorie Cone Kastman P.O. Box 5930 Lubbock, Texas 79417

RE: North Airport Prospect

Lea County, New Mexico

Dear Ms. Kastman:

According to the records contained within Lea County, New Mexico, it appears you own a 3.33 net acre mineral interest in the following described lands:

Township 16 South, Range 35 East

Section 2: SW/4SW/4 Section 3: N/2SE/4, SE/4SE/4

I would like to extend an offer to acquire an oil and gas lease covering the aforementioned interest based on the terms of \$100.00 per acre bonus consideration, 1/4 royalty, \$1.00 per acre rental for a three (3) year primary term. I should mention your mineral interest in the N/2SE/4 is committed to the 80.0 acre proration unit designated for the No. 1-Y well presently operated by Amerind Oil Company, Ltd. A review of the production records indicates the well was completed in the Strawn formation on 6-13-97 and the production as of June 1998 was 1 BOPM and 31 MCFGPM. At this rate the well is no longer paying in commercial quantities and should be plugged in the near future.

Your consideration of our offer is appreciated and we will anticipate a response at your earliest convenience.

Sincerely,

P.O. BOX 564 ROSWELL, NEW MEXICO 88202

Enick E. Diffee (505) 622-3294



September 29, 1998

Mrs. Marilyn Cone P.O. Box 93355 Lubbock, Texas 79413

RE: North Airport Prospect

Lea County, New Mexico

Dear Mrs. Cone:

According to the records contained within Lea County, New Mexico, it appears you own as Trustee for the D. C. Trust a 2.0 net acre mineral interest in the following described lands:

Township 16 South, Range 35 East

Section 2: SW/4SW/4 Section 3: N/2SE/4, SE/4SE/4

I would like to extend an offer to acquire an oil and gas lease covering the aforementioned interest based on the terms of \$100.00 per acre bonus consideration, 1/4 royalty, \$1.00 per acre rental for a three (3) year primary term. I should mention your mineral interest in the N/2SE/4 is committed to the 80.0 acre proration unit designated for the No. 1-Y well presently operated by Amerind Oil Company, Ltd. A review of the production records indicates the well was completed in the Strawn formation on 6-13-97 and the production as of June 1998 was 1 BOPM and 31 MCFGPM. At this rate the well is no longer paying in commercial quantities and should be plugged in the near future.

Your consideration of our offer is appreciated and we will anticipate a response at your earliest convenience.

Sincerely,

P.O. BOX 564 ROSWELL, NEW MEXICO 88202

Enick E. Diffee

(505) 622-3294



September 29, 1998

Mr. Clifford R. Cone P.O. Box 1629 Lovington, New Mexico 88260

RE:

North Airport Prospect Lea County, New Mexico

Dear Mr. Cone:

According to the records contained within Lea County, New Mexico, it appears you own a 2.0 net acre mineral interest in the following described lands:

Township 16 South, Range 35 East

Section 2: SW/4SW/4 Section 3: N/2SE/4, SE/4SE/4

I would like to extend an offer to acquire an oil and gas lease covering the aforementioned interest based on the terms of \$100.00 per acre bonus consideration, 1/4 royalty, \$1.00 per acre rental for a three (3) year primary term. I should mention your mineral interest in the N/2SE/4 is committed to the 80.0 acre proration unit designated for the No. 1-Y well presently operated by Amerind Oil Company, Ltd. A review of the production records indicates the well was completed in the Strawn formation on 6-13-97 and the production as of June 1998 was 1 BOPM and 31 MCFGPM. At this rate the well is no longer paying in commercial quantities and should be plugged in the near future.

Your consideration of our offer is appreciated and we will anticipate a response at your earliest convenience.

Sincerely,

P.O. BOX 564 ROSWELL, NEW MEXICO 88202

Enick E. Diffee (505) 622-3294

COPY

September 29, 1998

A. L. Cone Partnership C/O Mr. Larry Petree P.O. Box 3457 Lubbock, Texas 79452

RE:

North Airport Prospect Lea County, New Mexico

Dear Mr. Petree:

According to the records contained within Lea County, New Mexico, it appears A. L. Cone Partnership owns a 2.0 net acre mineral interest in the following described lands:

Township 16 South, Range 35 East

Section 2: SW/4SW/4 Section 3: N/2SE/4, SE/4SE/4

I would like to extend an offer to acquire an oil and gas lease covering the aforementioned interest based on the terms of \$100.00 per acre bonus consideration, 1/4 royalty, \$1.00 per acre rental for a three (3) year primary term. I should mention your mineral interest in the N/2SE/4 is committed to the 80.0 acre proration unit designated for the No. 1-Y well presently operated by Amerind Oil Company, Ltd. A review of the production records indicates the well was completed in the Strawn formation on 6-13-97 and the production as of June 1998 was 1 BOPM and 31 MCFGPM. At this rate the well is no longer paying in commercial quantities and should be plugged in the near future.

Your consideration of our offer is appreciated and we will anticipate a response at your earliest convenience.

Sincerely,

Omni Oil Properties

P.O. BOX 564 ROSWELL, NEW MEXICO 88202

Enick E. Diffee

(505) 622-3294

September 29, 1998



Kenneth G. Cone P.O. Box 11310 Midland, Texas 79702

RE:

North Airport Prospect

Lea County, New Mexico

Dear Mr. Cone:

According to the records contained within Lea County, New Mexico, it appears you own a 2.0 net acre mineral interest in the following described lands:

Township 16 South, Range 35 East

Section 2: SW/4SW/4 Section 3: N/2SE/4, SE/4SE/4

I would like to extend an offer to acquire an oil and gas lease covering the aforementioned interest based on the terms of \$100.00 per acre bonus consideration, 1/4 royalty, \$1.00 per acre rental for a three (3) year primary term. I should mention your mineral interest in the N/2SE/4 is committed to the 80.0 acre proration unit designated for the No. 1-Y well presently operated by Amerind Oil Company, Ltd. A review of the production records indicates the well was completed in the Strawn formation on 6-13-97 and the production as of June 1998 was 1 BOPM and 31 MCFGPM. At this rate the well is no longer paying in commercial quantities and should be plugged in the near future.

Your consideration of our offer is appreciated and we will anticipate a response at your earliest convenience.

Sincerely,

214 West Texas Avenue Suite 409 (Zip 79701) P.O. Box 10187 Midland, Texas 79702

DALE DOUGLAS Oil & Gas Properties

Area Code: 915 Phone: 682-5565 Fax: 682-5565

September 28, 1998

CERTIFIED MAIL-RETURN RECEIPT REQUESTED P 555 884 456

James Raymond Cone and Jan Cone Bowerman 1901 31st Street Lubbock, TX 79411

Re: Well Proposal
Parachute Adams #1
SE/4 and Lots 9, 10, 15, and 16
Parachute Hopper #1
SW/4 and Lots 11, 12, 13, 14
Section 3-T16S-R35E
Lea County, NM

Ladies and Gentlemen:

James Raymond Cone and Jan Cone Bowerman owns an interest under the captioned lands. You were previously contacted on behalf of David H. Arrington Oil & Gas, Inc. ("Arrington") and offered the opportunity to participate in the drilling of the Parachute Hopper #1 Well to be drilled in Lot #14 of the captioned Section 3. The spacing unit for this well was to be Lots 9 through 16 inclusive. The State of New Mexico Oil Conservation Division issued order number R-11028 on August 6, 1998 for the drilling of this well. Subsequent to the issuance of this order, Arrington has discovered new information which alters its interpretation of the geology in this particular area. As such, Arrington would like to attempt to develop this property consistent with this new interpretation. This would result in the dissolving of the spacing unit set forth in the above mentioned order, and the formation of two new approximate 320-acre units as follows:

Parachute Adams #1 Well: Lots 9, 10, 15, 16 and SE/4 of Section 3-T16S-R35E Parachute Hopper #1 Well: Lots 11, 12, 13, 14, and SW/4 of Section 3-T16S-R35E

Arrington hereby proposes the drilling of each of the captioned wells to a depth sufficient to adequately test the lower Mississippian formation, anticipated total depth being approximately 12,700'. Furthermore, Arrington shall evaluate to its satisfaction, all other formations encountered at lesser depths in the drilling of said well. The proposed spacing or proration unit for the Parachute Adams #1 Well will be SE/4 and Lots 9, 10, 15, and 16, Section 3-T16S-R35E Lea County, New Mexico (with the wellbore to be located in

the NE/4SE/4). The proposed spacing or proration unit for the Parachute Hopper #1 Well will be SW/4 and Lots 11, 12, 13, and 14, Section 3-T16S-R35E Lea County, New Mexico (with the wellbore to be located in Lot 14).

Each of these wells will be drilled at legal locations on each of the proposed spacing units. Arrington's AFE for the drilling and completion of each of these wells are enclosed for your review. Should you desire to participate to the full extent of your interest in the drilling of either or both of the proposed wells, please return an executed copy of the AFE to the undersigned at your earliest convenience for the well(s) in which you elect to participate.

Upon receipt of your executed AFE, or by prior written request, we will forward for your review and execution Arrington's Joint Operating Agreement covering each of these proposed wells.

In the event you should elect to not participate in the drilling of either or both of these test wells, and you should own leasehold interests therein, Arrington respectfully requests that you grant to Arrington a term assignment of oil and gas leases covering your leasehold interest in the captioned lands pursuant to the following terms and conditions:

- a) one (1) year primary term
- b) retain as an overriding royalty the amount by which 22.5% exceeds existing royalty burdens
- c) a term assignment form will be furnished upon your request

In the event you should elect to not participate in the drilling of either or both of these test wells, and you should own unleased mineral interests therein, Arrington respectfully requests that you grant to Arrington an oil and gas lease covering your mineral interest in the captioned lands pursuant to the following terms and conditions:

- a) three (3) year primary term
- b) 3/16ths royalty
- c) \$152.00 per acre bonus
- d) Lease form Hall Poorbaugh Press Producers Revised 1981 New Mexico Form 342P Paid up

As we anticipate drilling each of these captioned wells as soon as possible, we request that you please review this matter as soon as possible and advise as to your position regarding this proposal for each well. Arrington would be glad to further discuss its plans for these wells, so we invite you to contact us with any questions or comments you might have. Thank you for your cooperation.

Yours very truly,

Dale Douglas CPL

/dd

Enclosures

DAVID H. ARRINGTON OIL AND GAS, INC. AUTHORITY FOR EXPENDITURE (AFE)

AUTHORITY ON ENGINEERS IN EAST							
JFE #:	98-0905	Date:	Prepared 9-29-98		Original Supplemental		
ease:	Parachute Hopper	Well #:	1	Well Type:	Exploratory/Oil		
ocation:	3510' FSL & 1650' FWL Sec 3, T16S, R35E	County:	Lea	State:	New Mexico		
rospect:	North Airport	Objective:	Strawn/Atoka	Proposed TD:	12,700'		
urpose o	of Expenditure: Drill and Complete Lo	wer Mississi	ppian Test				

CODE INTANGIBLE EXPENSE		DRILLING		COMPLETION	3.7	TOTAL
Surveying		800				800
Staking & Fermitting	T	100				100
Location, Roads & Damages	\Box	16,000		2,000		18,000
Lease Restoration		4,500				4,500
Mobilization/Demobilization						
Drilling - Footage 12,700 @ \$17.50 /Ft	\neg	222,250				222,250
Drilling - Daywork 7 @ \$5,200 /Day	\top	36,400				36,400
Drilling - Directional	\top					
Completion Rig 8 @ \$1,500 /Day	\top			16,000		16,000
Fuel, Power & Lubricants	77					
Bits, Reamers & Stabilizers	77		_			
Drilling & Completion Fluids	$\dashv \dashv$	35,000	_	2,000		37,000
Water	77	15,000		2,000		17,000
Mud Logging 25 @ \$460 /Day		11,500	_		_	11,500
Drill Stem Tests (three (3) test)	$\neg \neg$	18,000				18,000
Coring Services	77		_			
Logging - Open Hole & Sidewall Cores	\neg	39,000				39,000
Cement & Services - Surface		5,000				5,000
Cement & Services - Intermediate	77	10,000	_			10,000
Cement & Services - Production	$\neg \neg$			15,000		15,000
Perforating & Cased Hole Logs	$\neg \neg$			8,000		8,000
Acidizing, Fracturing & Stimulation	\Box			10,000		10,000
Rental Equipment	$\neg \neg$	15,000		3,500		18,500
Installation - Production Facilities		2,500		9,000		11,500
Inspection & Testing		5,000		1,000		6,000
Transportation		2,000		3,500		5,500
Miscellaneous Labor		4,400		3,000		7,400
Engineering & Geological Services		7,500		2,000		9,500
Overhead	\Box	16,000		2,500		18,500
Supervision		16,000		3,000		19,000
Well Control Insurance	$\Box\Box$					
Contingencies		52,000		8,700		60,700
Gross Receipts Tax	\Box	30,000		5,000		35,000
TOTAL INTANGIBLE EXPENSE	77	563,950	_	96,200		660,150

CODE	EAT TAN	GIBLE EXP	ENSE CO				DRILLING	1	COMPLETION	1	TATOTAL
Casing -	- Conductor	of	@		/Ft		2,000				2,000
	- Surface	425 of	13 3/8" @		/Ft		7,200				7,200
	- Intermediate	950 of	8 5/8" @	\$13.30	/Ft	\Box	12,600				12,600
	- Intermediate	3,800 of	8 5/8" @		/Ft		39,500				39,500
	- Procluction	7,500 of	5 1/2" @	\$7.20					54,000		54,000
	- Procluction	5,200 of	5 1/2" @	\$8.30				П	43,150		43,150
Tubing		12,700 of	2 7/8" @	\$3.50	/Ft	\Box			44,450		44,450
	Other Equipmen					\Box	2,400		1,000		3,400
	d Equipment, Ti	ree				\Box	4,600		10,400		15,000
Sucker									23,500		23,500
	lole Pump							Ш	3,000		3,000
Packer/						\Box			4,300		4,300
	g Unit & Prime N					1			70,000		70,000
	attery & Storage								19,000		19,000
	or/Heater Treate	r/Dehydrato	<u> </u>		$_{1}$	$_{\perp}$			8,500		8,500
	& Flowlines								1,000		1,000
	ineous Valves &	Fittings			_ 1				19,000		19,000
Conting	encies					_7	4,100		18,000		22,100
	TANGIBLE EXP	ENSE					72,400		319,300		391,700
TOTAL	WELL COST						636,350		415,500		1,051,850

NOTE: THIS AFE IS ONLY AN ESTIMATE. BY RETURNING ONE APPROVED COPY, YOU AGREE TO PAY YOUR SHARE OF THE ACTUAL COSTS INCURRED.

David H. Arrington Oil & Gas, Inc. Approval:		Partner Approval:						
Prepared By:	Steve Scott	Company:						
Approved By:	STANK	Approved By:	•					
Title:		Title:						
Date:	9/30/98	Date:						

AUTHORITY FOR EXPENDITURE (AFE)

AFE #:	98-0904	Date:	Pr	epared 9-28-98		X Original Supplemental	
Lease:	Parachute Adams	Well #:	_1		Well Type:	Exploratory/Gas	
Location:	BHL 1450' FSL & 990' FEL Sec 3, T16S, R35E	County:	Le	a	State:	New Mexico	
Prospect:	North Airport	Objective:	At	oka/L. Miss	Proposed TD:	12,700'	
•	of Expenditure: Drill and Complete Low	er Missission	olar	ı Test	•		
r dipose c	Time transfer and the second s	<u> </u>	<u> </u>				
班CODE	NAME OF THE PROPERTY OF THE PR	nie großen der	够	25 DRILLING	SE SCOMPLETION	LI LIANTOTAL LE	
	Surveying		-	800 100		008	
 	Staking & Permitting Location, Roads & Damages		╁╴	16,000		100	
	Lease Restoration			4,500		4,500	
	Mobilization/Demobilization Drilling - Footage 12,700 @ \$17.50 /F		1-	222,250	 	1	
	Drilling - Footage		╁	36,400		222,250 36,400	
	Drilling - Directional		1			1	
	Completion Rig 8 @ \$1,500 /D	ay	L		16,000	16,000	
<u> </u>	Fuel, Power & Lubricants Bits, Reamers & Stabilizers		┼~	ļ		++	
}- 	Drilling & Completion Fluids		╁	35,000	2,000	37,000	
	Water			15,000	2,000		
	Mud Logging 25 @ \$460 /D	ay	ļ_	11,500		11,500	
<u> </u>	Drill Stem Tests (two (2) test) Coring Services		╁-	12,000	 	12,000	
 	Logging - Open Hole & Sidewall Cores		╁╌	39.000	 - 	39,000	
	Cement & Services - Surface		I	5,000		5,000	
	Cement & Services - Intermediate		F	10,000		10,000	
<u> </u>	Cement & Services - Production Perforating & Cased Hole Logs		╀	 	15,000		
 	Addizing, Fracturing & Stimulation		+-		50,000		
	Rental Equipment			15,000	3,500	18,500	
	Installation - Production Facilities		╀	2,500			
 	Inspection & Testing Transportation		╁	5,000 2,000	3,500		
 	Miscellaneous Labor		+	4,400			
	Engineering & Geological Services			7,500	2,000		
	Overhead		<u> </u>	16,000	2,500		
	Supervision Directional Drilling Services		-	16,000 32,000	3,000	19,000	
	Contingencies		+-	54,000	13,000		
	Gross Receipts Tax			32,000	7,900		
	TOTAL INTANGIBLE EXPENSE		L	593,950	143,400	737,350	
CODE	A THE STANGIBLE EXPENSE OF THE	72 9 4 51 74 70		R DRILLING A	# COMPLETION	TOTAL	
	Casing - Conductor of @			2,000		2,000	
	Casing - Surface 425 of 13 3/8" @ Casing - Intermediate 950 of 8 5/8" @	\$17.00 /Ft \$13.30 /Ft		7,200 12,600		7,200	
		\$10.40 /Ft		39,500		12,600	
	Casing - Production 7,500 of 5 1/2" @	\$7.20 /Ft			54,000	54,000	
	Casing - Production 5,200 of 5 1/2" @		_		43,160		
	Tubing 12,700 of 1 7/8" @ Float & Other Equipment	\$3.50 /Ft	-	2,400	1,000		
	Wellhead Equipment, Tree		1	4,600			
	Sucker Rods					0	
	Down Hole Pump		₋			0	
	Pumping Unit & Prime Mover		+	 	4,300	4,300	
	Tank Battery & Storage Facilities		1		19,000		
	Separator/Heater Treater/Dehydrator				8,500		
	Meters & Flowlines		L		1,000		
	Miscellaneous Valves & Fittings Contingencies		-	6,500	19,000 10,000		
	TOTAL TANGIBLE EXPENSE		-	74,800	214,810		
	TOTAL WELL COST			668,750	358,210		
NOTE: THIS	AFE IS ONLY AN ESTIMATE. BY RETURNING ONE APPRI	OVED COPY. YO	A LIC	GREE TO PAY YOUR	SHARE OF THE ACTIVAL	COSTS INCLIDED	
						oot o moonnes.	
	Arrington Oil & Gas, Inc. Approval:	Partner Appr	ova	и.			
Prepared By:	Steve Scott	Company:					
Approved By:	× 12/1/11-	Approved By:			•		
6	9/2/98	•			•		
Title:		Title:					
Date:	7/30/98	Date:					
	1 1						

: **=**:::

214 West Texas Avenue Suite 409 (Zip 79701) P.O. Box 10187 Midland, Texas 79702

DALE DOUGLAS Oil & Gas Proporties

Area Code: 915 Phone: 682-5565 Fax: 682-5565

September 28, 1998

CERTIFIED MAIL-RETURN RECEIPT REQUESTED P 555 884 355

A. L. Cone Partnership Attn: Mr. Larry Petree PO Box 3457 Lubbock, TX 79452

Re: Well Proposal
Parachute Adams #1
SE/4 and Lots 9, 10, 15, and 16
Parachute Hopper #1
SW/4 and Lots 11, 12, 13, 14
Section 3-T16S-R35E
Lea County, NM

Ladies and Gentlemen:

The A. L. Cone Partnership owns an interest under the captioned lands. You were previously contacted on behalf of David H. Arrington Oil & Gas, Inc. ("Arrington") and offered the opportunity to participate in the drilling of the Parachute Hopper #1 Well to be drilled in Lot #14 of the captioned Section 3. The spacing unit for this well was to be Lots 9 through 16 inclusive. The State of New Mexico Oil Conservation Division issued order number R-11028 on August 6, 1998 for the drilling of this well. Subsequent to the issuance of this order, Arrington has discovered new information which alters its interpretation of the geology in this particular area. As such, Arrington would like to attempt to develop this property consistent with this new interpretation. This would result in the dissolving of the spacing unit set forth in the above mentioned order, and the formation of two new approximate 320-acre units as follows:

Parachute Adams #1 Well: Lots 9, 10, 15, 16 and SE/4 of Section 3-T16S-R35E Parachute Hopper #1 Well: Lots 11, 12, 13, 14, and SW/4 of Section 3-T16S-R35E

Arrington hereby proposes the drilling of each of the captioned wells to a depth sufficient to adequately test the lower Mississippian formation, anticipated total depth being approximately 12,700°. Furthermore, Arrington shall evaluate to its satisfaction, all other formations encountered at lesser depths in the drilling of said well. The proposed spacing or proration unit for the Parachute Adams #1 Well will be SE/4 and Lots 9, 10, 15, and 16, Section 3-T16S-R35E Lea County, New Mexico (with the wellbore to be located in the NE/4SE/4). The proposed spacing or proration unit for the Parachute Hopper #1 Well will be SW/4

and Lots 11, 12, 13, and 14, Section 3-T16S-R35E Lea County, New Mexico (with the wellbore to be located in Lot 14).

Each of these wells will be drilled at legal locations on each of the proposed spacing units. Arrington's AFE for the drilling and completion of each of these wells are enclosed for your review. Should you desire to participate to the full extent of your interest in the drilling of either or both of the proposed wells, please return an executed copy of the AFE to the undersigned at your earliest convenience for the well(s) in which you elect to participate.

Upon receipt of your executed AFE, or by prior written request, we will forward for your review and execution Arrington's Joint Operating Agreement covering each of these proposed wells.

In the event you should elect to not participate in the drilling of either or both of these test wells, and you should own leasehold interests therein, Arrington respectfully requests that you grant to Arrington a term assignment of oil and gas leases covering your leasehold interest in the captioned lands pursuant to the following terms and conditions:

- a) one (1) year primary term
- b) retain as an overriding royalty the amount by which 22.5% exceeds existing royalty burdens
- c) a term assignment form will be furnished upon your request

In the event you should elect to not participate in the drilling of either or both of these test wells, and you should own unleased mineral interests therein, Arrington respectfully requests that you grant to Arrington an oil and gas lease covering your mineral interest in the captioned lands pursuant to the following terms and conditions:

- a) three (3) year primary term
- b) 3/16ths royalty
- c) \$152.00 per acre bonus
- d) Lease form Hall Poorbaugh Press Producers Revised 1981 New Mexico Form 342P Paid up

As we anticipate drilling each of these captioned wells as soon as possible, we request that you please review this matter as soon as possible and advise as to your position regarding this proposal for each well. Arrington would be glad to further discuss its plans for these wells, so we invite you to contact us with any questions or comments you might have. Thank you for your cooperation.

Yours very truly,

Dale Douglas, CPL

/dd Enclosures

ALITHORITY FOR EXPENDITURE (AFE)

VFE #:	98-0905	Date:		ared 9-29-98		Original Supplemental		
.ease:	Parachute Hopper	Well#:	1		Well Type:	Exploratory/Oil		
		i			State:	New Mexico		
.ocation:	3510' FSL & 1650' FWL Sec 3, T16S, R35E	County:	Lea					
Prospect:	North Airport	Objective:	Straw	/n/Atoka	Proposed TD:	12,700		
Purpose o	of Expenditure: Drill and Complete Lo	wer Mississi	pplan T	est				
CODE	INTANGIBLE EXPENSE	GM NOW FULL		DRILLING:	COMPLETION			
	Surveying		44	100	<u> </u>	100		
	Staking & Pennitting Location, Roads & Damages		+-+	16,000	2,000			
	Lease Restoration			4,500		4,500		
	Mobilization/Demobilization			202.250		<u> </u>		
	Drilling - Footage 12,700 @ \$17.50 /			222,250 36,400	- 	222,250 36,400		
	Drilling - Directional		++	30,400		30,400		
	Completion Rig 8 @ \$1,500 /	Day			16,000	16,000		
	Fuel, Power & Lubricants					 - 		
	Bits, Reamers & Stabilizers Drilling & Completion Fluids		- - -	35,000	2,000	37,000		
	Water			15,000	2,000			
	Mud Logging 25 @ \$460 /	Day		11,500		11,500		
	Drill Stem Tests (three (3) test)			18,000	 	18,000		
	Coring Services Logging - Open Hole & Sidewall Cores			39,000	+	39,000		
	Cement & Services - Surface			5,000		5,000		
	Cement & Services - Intermediate			10,000		10,000		
	Cement & Services - Production Perforating & Cased Hole Logs				15,000			
	Acidizing, Fracturing & Stimulation		1-1-		10,000			
	Rental Equipment			15,000	3,50	18,500		
	Installation - Production Facilities		44	2,500	9,000			
	Inspection & Testing Transportation			5,000 2,000	3,500			
	Miscellaneous Labor		 	4,400	3,00			
	Engineering & Geological Services			7,500	2,000	9,500		
	Overhead Supervision			16,000 16,000	2,500			
	Well Control Insurance		++	10,000	3,000	19,000		
	Contingencies			52,000	8,700			
	Gross Receipts Tax		++	30,000	5,000			
	TOTAL INTANGIBLE EXPENSE			563,950	96,200	660,150		
CODE	TANGIBLE EXPENSE		創織部	DRILLING	#ISCOMPLETION	IL AL MATOTAL		
	Casing - Conductor of	@ /F	Ft	2,000		2,000		
	Casing - Surface 425 of 13 3/8" (7,200		7,200		
	Casing - Intermediate 950 of 85/8" (Casing - Intermediate 3,800 of 85/8" (12,600 39,500	 	12,600		
	Casing - Production 7,500 of 5 1/2" (39,300	54,000	39,500 54,000		
	Casing - Production 5,200 of 5 1/2" (② \$8.30 /F	=t		43,150			
	Tubing 12,700 of 2 7/8" (Float & Other Equipment	@ \$3.50 /F	Ft	2 (22	44,450			
	Wellhead Equipment, Tree		++	2,400 4,600	1,000			
	Sucker Rods			1,550	23,500			
	Down Hole Pump				3,000			
	Packer/TAC Pumping Unit & Prime Mover		++		70,000			
	Tank Battery & Storage Facilities		11		19,000			
	Separator/Heater Treater/Dehydrator		工		8,500	8,500		
	Meters & Flowlines Miscellaneous Valves & Fittings		++		1,000			
	Contingencies		++-	4,100	19,000			
	TOTAL TANGIBLE EXPENSE		1	72,400	319,300			
	TOTAL WELL COST			636,350	415,500			
	S AFE IS ONLY AN ESTIMATE. BY RETURNING ONE APPLATTINGTON Oil & Gas., Inc. Approval: Steve Scott	ROVED COPY, Y Partner App Company:		EE TO PAY YOUR SH	HARE OF THE ACTUAL	. COSTS INCURRED.		
pproved y:	9/2/98	Approved By:	_		•			
itle:		Title:						
	9/2/00							

2 22

AUTHORITY FOR EXPENDITURE (AFE)

AFE #:	98-0904	Date:	Pr	epared 9-28-98			X Or Su	iginal ipplemental
Lease:	Parachute Adams	Well #:	1			Well Type:		oratory/Gas
	BHL 1450' FSL & 990' FEL Sec 3, T16S, R35E	į	Le		,	State:	New I	Mexico
			_		•	Proposed TD:		
Prospect:	North Airport	Objective:		oka/L. Miss		Proposed 1D.	12,70	<u> </u>
Purpose o	of Expenditure: Drill and Complete Low	er Mississip	plar	n Test				
			_		_			
CODE	MAN MAN MENTANGIBLE EXPENSE	**********	163			*COMPLETION:	四世	
	Surveying Staking & Permitting		╀	800		 	 - -	800 100
	Location, Roads & Damages		†-	16,000		2,000	1-1-	18,000
	Lease Restoration		L	4,500			П	4,500
	Mobilization/Demobilization Drilling - Footage 12,700 @ \$17.50 /F		+-	222,250	L		 	202.250
	Drilling - Footage 12,700 @ \$17.50 /F Drilling - Daywork 7 @ \$5,200 /D		+-	36,400		<u> </u>	┼╌┼╌	222,250 36,400
	Orilling - Directional	<u> </u>	+	55,100	┢		 	30,400
	Completion Rig 8 @ \$1,500 /C	ay				16,000		16,000
	Fuel, Power & Lubricants		1					
	Bits, Reamers & Stabilizers		╄~	35,000	ļ	0.000	 	
	Drilling & Completion Fluids Water		+	35,000 15,000		2,000		37,000 17,000
	Mud Logging 25 @ \$460 /D	lay	+-	11,500		2,000	\vdash	11,500
	Drill Stem Tests (two (2) test)		1	12,000				12,000
	Coring Services							
	Logging - Oper Hole & Sidewall Cores		+	39,000	ļ_	ļ	$\bot \Box$	39,000
<u> </u>	Cement & Services - Surface		╂	5,000		ļ		5,000
ļ	Cement & Services - Intermediate Cement & Services - Production		+	10,000	-	15,000		10,000
	Perforating & Cased Hole Logs		+	 	-	8,000		8,000
	Acidizing, Fracturing & Stimulation					50,000		50,000
	Rental Equipment		\perp	15,000		3,500		18,500
	Installation - Production Facilities		1	2,500	L.	9,000		11,500
	Inspection & Testing Transportation		╁	5,000 2,000	-	1,000		6,000
	Miscellaneous Labor		+-	4,400		3,500		5,500 7,400
	Engineering & Geological Services		1	7,500	-	2,000		9,500
	Overhead		Γ	16,000		2,500		18,500
	Supervision		1_	16,000	_	3,000	1-1-	19,000
	Directional Drilling Services Contingencies		╁	32,000 54,000	-	42.000	 -	32,000
	Gross Receipts Tax		╁	32,000	-	13,000 7,900		67,000 39,900
	TOTAL INTANGIBLE EXPENSE		t	593,950		143,400		737,350
经GODE	TANGIBLEEXPENSE					COMPLETION	20 00	
	Casing - Conductor of @ Casing - Surface 425 of 13 3/8" @			2,000				2,000
	Casing - Surface 425 of 13 3/8 @			7,200	-		 - -	7,200 12,600
		\$10.40 /F		39,500	Н	<u> </u>	 	39,500
	Casing - Production 7,500 of 5 1/2" @				_	54,000	1	54,000
	Casing - Production 5,200 of 5 1/2" @					43,160		43,160
	Tubing 12,700 of 1 7/8" @	\$3.50 /F	4-	2.00	Щ	44,450		44,450
	Float & Other Equipment Wellhead Equipment, Tree		+-	2,400 4,600	Щ	1,000		3,400 15,000
	Sucker Rods		+-	4,000	-	10,400	Н-	15,000
	Down Hole Pump		1_]			 	ŏ
	Packer/TAC					4,300		4,300
<u> </u>	Pumping Unit & Prime Mover		↓_	l				0
	Tank Battery & Storage Facilities Separator/Heater Treater/Dehydrator		┼~	 	-	19,000		19,000
	Meters & Flowlines		┼	 	\dashv	8,500 1,000	- 	8,500 1,000
	Miscellaneous Valves & Fittings		1			19,000	\vdash	19,000
	Contingencies			6,500		10,000		16,500
	TOTAL TANGIBLE EXPENSE			74,800		214,810		289,610
	TOTAL WELL COST		L	668,750		358,210		1,026,960
NOTE: THIS	S AFE IS ONLY AN ESTIMATE. BY RETURNING ONE APPRI	OVED COPY, YO	A UC	GREE TO PAY YOUR	SHA	RE OF THE ACTUAL	COSTS	INCURRED.
David H. A	Arrington Oil & Gas, Inc. Approval:	Partner App	rova	al:				
Prepared By:	Steve Scott	Company:						
Approved	- iM	Approved						
By:	9/2/98	By:						
Title:		Title				. —-	_	
Title:		Title:						
Date:	9/30/94	Date:						

214 West Texas Avenue Suite 409 (Zip 79701) P.O. Box 10187 Midland, Texas 79702

DALE DOUGLAS Oil & Gas Proporties

Area Code: 915 Phone: 682-5565 Fax: 682-5565

September 28, 1998

CERTIFIED MAIL-RETURN RECEIPT REQUESTED P 555 884 356

Mr. Ed Watts Bristol Resources Corporation 6655 S. Lewis Tulsa, OK 74136

Re: Well Proposal

Parachute Adams #1
SE/4 and Lots 9, 10, 15, and 16
Parachute Hopper #1
SW/4 and Lots 11, 12, 13, 14
Section 3-T16S-R35E
Lea County, NM

Ladies and Gentlemen:

Bristol Resource Corporation, Bristol Resources 1994 Acquisition Limited Partnership and Bristol Resources Production Company, L.L.C each own an interest under the captioned lands. You were previously contacted on behalf of David H. Arrington Oil & Gas, Inc. ("Arrington") and offered the opportunity to participate in the drilling of the Parachute Hopper #1 Well to be drilled in Lot #14 of the captioned Section 3. The spacing unit for this well was to be Lots 9 through 16 inclusive. The State of New Mexico Oil Conservation Division issued order number R-11028 on August 6, 1998 for the drilling of this well. Subsequent to the issuance of this order, Arrington has discovered new information which alters its interpretation of the geology in this particular area. As such, Arrington would like to attempt to develop this property consistent with this new interpretation. This would result in the dissolving of the spacing unit set forth in the above mentioned order, and the formation of two new approximate 320-acre units as follows:

Parachute Adams #1 Well: Lots 9, 10, 15, 16 and SE/4 of Section 3-T16S-R35E Parachute Hopper #1 Well: Lots 11, 12, 13, 14, and SW/4 of Section 3-T16S-R35E

Arrington hereby proposes the drilling of each of the captioned wells to a depth sufficient to adequately test the lower Mississippian formation, anticipated total depth being approximately 12,700'. Furthermore, Arrington shall evaluate to its satisfaction, all other formations encountered at lesser depths in the drilling of said well. The proposed spacing or proration unit for the Parachute Adams #1 Well will be SE/4 and Lots 9, 10, 15, and 16, Section 3-T16S-R35E Lea County, New Mexico (with the wellbore to be located in

the NE/4SE/4). The proposed spacing or proration unit for the Parachute Hopper #1 Well will be SW/4 and Lots 11, 12, 13, and 14, Section 3-T16S-R35E Lea County, New Mexico (with the wellbore to be located in Lot 14).

Each of these wells will be drilled at legal locations on each of the proposed spacing units. Arrington's AFE for the drilling and completion of each of these wells are enclosed for your review. Should you desire to participate to the full extent of your interest in the drilling of either or both of the proposed wells, please return an executed copy of the AFE to the undersigned at your earliest convenience for the well(s) in which you elect to participate.

Upon receipt of your executed AFE, or by prior written request, we will forward for your review and execution Arrington's Joint Operating Agreement covering each of these proposed wells.

In the event you should elect to not participate in the drilling of either or both of these test wells, and you should own leasehold interests therein, Arrington respectfully requests that you grant to Arrington a term assignment of oil and gas leases covering your leasehold interest in the captioned lands pursuant to the following terms and conditions:

- a) one (1) year primary term
- b) retain as an overriding royalty the amount by which 22.5% exceeds existing royalty burdens
- c) a term assignment form will be furnished upon your request

In the event you should elect to not participate in the drilling of either or both of these test wells, and you should own unleased mineral interests therein, Arrington respectfully requests that you grant to Arrington an oil and gas lease covering your mineral interest in the captioned lands pursuant to the following terms and conditions:

- a) three (3) year primary term
- b) 3/16ths royalty
- c) \$152.00 per acre bonus
- d) Lease form Hall Poorbaugh Press Producers Revised 1981 New Mexico Form 342P Paid up

As we anticipate drilling each of these captioned wells as soon as possible, we request that you please review this matter as soon as possible and advise as to your position regarding this proposal for each well. Arrington would be glad to further discuss its plans for these wells, so we invite you to contact us with any questions or comments you might have. Thank you for your cooperation.

Yours very truly,

Dale Douglas, CPL

/dd Enclosures

DAVID H. ARRINGTON OIL AND GAS, INC. AUTHORITY FOR EXPENDITURE (AFE)

AUTHORITT ON EAT ENDINGING (ALL)							
AFE #:	98-0905	-	Date:	Prepared 9-29-98		Original Supplemental	
Lease:	Parachute Hopper		Well#:	1	Well Type:	Exploratory/Oil	
Location:	3510' FSL & 1650' FV	VL Sec 3, T16S, R35E	County:	Lea	State:	New Mexico	
Prospect:	North Airport		Objective:	Strawn/Atoka	Proposed TD:	12,700'	
Purpose o	of Expenditure:	Drill and Complete Lo	wer Mississi	pplan Test			

CODE	INTANGIBLE EXP	ENSE	ā 120 d		COMPLETION		
Surve				800			800
	ng & Permitting		\perp	100			100
	ion, Roads & Damages			16,000	2,000		18,000
	Restoration		\Box	4,500			4,500
Mobili	ization/I)emobilization						
Drillin	g - Foo:age 12,700 @	\$17.50 /Ft	\mathbf{I}	222,250			222,250
	g - Daywork 7 @	\$5,200 /Day		36,400			36,400
Drittin	g - Directional		\top			П	
Comp	oletion Fig 8 @	\$1,500 /Day			16,000		16,000
Fuel,	Power & Lubricants						
Bits, F	Reamers & Stabilizers						
Drillin	g & Completion Fluids			35,000	2,000	\neg	37,000
Water	r		7 7	15,000	2,000	П	17,000
	ogging 25 @	\$460 /Day	\top	11,500		П	11,500
Drill S	item Tests (three (3) test)			18,000			18,000
	g Services						
Loggi	ng - Open Hole & Sidewall Cor	es	\top	39,000			39,000
	ent & Services - Surface		\top	5,000			5,000
Ceme	ent & Services - Intermediate			10,000			10,000
	ent & Services - Production		TT		15,000		15,000
	rating & Cased Hole Logs		$\Box \Box$		8,000		8,000
	ring, Fracturing & Stimulation		\perp		10,000		10,000
	I Equiprnent		$\exists \top$	15,000	3,500		18,500
Install	lation - Production Facilities		\Box	2,500	9,000		11,500
	ction & Testing			5,000	1,000		6,000
	portation		\perp	2,000	3,500		5,500
Misce	llaneous Labor		\perp	4,400	3,000	\neg	7,400
	eering & Geological Services			7,500	2,000		9,500
Overt	nead			16,000	2,500		18,500
	rvision		\Box	16,000	3,000	7	19,000
Well (Control Insurance		\mathbf{I}			\neg	
	ngencies			52,000	8,700	\neg	60,700
Gross	Receipts Tax		\Box	30,000	5,000		35,000
TOTA	L INTANGIBLE EXPENSE			563,950	96,200	╗	660,150

CODE	TANGIBLE EX	PENSE		Mark in	VA	DRILLING 籍	COMPLETION	ATOTA	L.
Casing - Conduc			@		Ft	2,000			2,000
Casing - Surface				\$17.00 /	Ft	7,200			7,200
Casing - Interne				\$13.30 /	Ft	12,600		7	12,600
Casing - Interrie					Ft	39,500		3	39,500
Casing - Product				\$7.20 /			54,000	5	54,000
Casing - Product	ion 5,200 c	f 5 1/2"	@	\$8.30 /			43,150	4	43,150
Tubing	12,700 c	f 2 7/8°	@	\$3.50 /	Ft		44,450	4	44,450
Float & Other Eq						2,400	1,000		3,400
Wellhead Equipm	nent, Tree				\Box	4,600	10,400		15,000
Sucker Rods							23,500	2	23,500
Down Hole Pump)						3,000		3,000
Packer/TAC							4,300		4,300
Pumping Unit & I							70,000	7	70,000
Tank Battery & S	torage Facilities						19,000		19,000
Separator/Hea:e	r Treater/Dehydra	tor					8,500		8,500
Meters & Flowlin	es						1,000		1,000
Miscellaneous V	alves & Fittings				1		19,000	1	19,000
Contingencies						4,100	18,000		22,100
TOTAL TANGIS					\perp	72,400	319,300	39	91,700
TOTAL WELL C	OST					636,350	415,500	1,05	51,850

NOTE: THIS AFE IS ONLY AN ESTIMATE. BY RETURNING ONE APPROVED COPY, YOU AGREE TO PAY YOUR SHARE OF THE ACTUAL COSTS INCURRED.

David H.	Arrington Oil & Gas, Inc. Approval:	Partner Appro	val:
Prepared			
By:	Steve Scott	Company:	
Approved By:	STUHLY	Approved By:	
Title:		Title:	
Date:	9/30/98	Date:	

AUTHORITY FOR EXPENDITURE (AFE)

AFE #:	98-0904	Date:	Pr	epared 9-28-98				Original Supplemental
Lease:	Parachute Acams	Well#:	_1		Well	Туре:	Exploratory/Gas	
Location:	BHL 1450' FSL & 990' FEL Sec 3, T16S, R35E	County:	Le	a	State	a:	New Mexico	
Prospect.	North Airport	Objective:	At	oka/L. Miss	Prop	osed TD:	12.	700'
·					,,,,			
Purpose o	f Expenditure: Drill and Complete Low	er Mississipp	olar	Test				
FEODE	WHEN THE INTANGIBLE EXPENSE	7052 St. 7 10 (1) 1	彻		SCO	MRLETION!		
<u> </u>	Surveying Staking & Permitting		-	800	- 		\vdash	800) 100
	Location, Roads & Damages		-	16,000		2,000	1	18,000
	Lease Restoration			4,500				4,500
	Mobilization/Demobilization		├ -	222.250	├- ├		\vdash	
}	Drilling - Footage 12,700 @ \$17.50 /Fr Drilling - Daywork 7 @ \$5,200 /D		┢	222,250 36,400			╁╌┤	222,250 36,400
 	Drilling - Directional	ay	+-	30,400			+	30,400
	Completion Rig 8 @ \$1,500 /D	ay				16,000		16,000
	Fuel, Power & Lubricants		Ļ				П	
<u> </u>	Bits, Reamers & Stabilizers			25.000	 _ 	2.000	\vdash	
}	Drilling & Completion Fluids Water		╀╌	35,000 15,000		2,000		37,000 17,000
}	Mud Logging 25 @ \$460 /D	av	╁╌	11,500		2,000	1-1	11,500
l	Drill Stem Tests (two (2) test)		\vdash	12,000			11	12,000
	Coring Services							
	Logging - Open Hole & Sidewall Cores		Ĺ	39,000			\Box	39,000
<u> </u>	Cement & Services - Surface		⊬	5,000			\sqcup	5,000
<u> </u>	Cement & Services - Intermediate Cement & Services - Production		1-	10,000	 	15,000	 	10,000 15,000
	Perforating & Cased Hole Logs		┯	 	├ 	8,000		8,000
<u> </u>	Acidizing, Fracturing & Stimulation		1		-	50,000		50,000
	Rental Equipment			15,000		3,500	\Box	18,500
	Installation - Production Facilities			2,500		9,000		11,500
<u> </u>	Inspection & Testing		\perp	5,000		1,000		6,000
	Transportation Miscellaneous Labor		}_	2,000		3,500		5,500
	Engineering & Geological Services		+-	4,400 7,500	-	2,000 2,000		7,400 9,500
	Overhead		+-	16,000	 	2,500		18,500
	Supervision		T	16,000		3,000		19,000
	Directional Drilling Services			32,000				32,000
	Contingencies		<u> </u>	54,000		13,000		67,000
	Gross Receipts Tax		! -	32,000		7,900	-	39,900
	TOTAL INTANGIBLE EXPENSE		<u></u>	593,950		143,400	Ш	737,350
CODE	TANGIBLE EXPENSE OF A	e e e e e e e e e e e e e e e e e e e		WORLELING	建 MCO	MRETION	A)	TOTAL
	Casing - Conductor of @			2,000				2,000
	Casing - Surface 425 of 13 3/8" @			7,200				7,200
	Casing - Intermediate 950 of 8 5/8" @ Casing - Intermediate 3,800 of 8 5/8" @	\$13.30 /Ft \$10.40 /Ft		12,600 39,500			H	12,600
	Casing - Production 7,500 of 5 1/2" @			39,300	⊢	54,000	╁┼	39,500 54,000
	Casing - Production 5,200 of 5 1/2" @					43,160		43,160
	Tubing 12,700 of 1 7/8" @					44,450		44,450
	Float & Other Equipment			2,400		1,000		3,400
	Wellhead Equipment, Tree		<u> </u>	4,600		10,400	Ц	15,000
	Sucker Rods Down Hole Pump		\vdash	ļ <u>-</u>	 		$\vdash \vdash$	
	Packer/TAC		\vdash	 -		4,300	┝╌┼	4,300
	Pumping Unit & Prime Mover		╁╌			4,300	\vdash	4,300
	Tank Battery & Storage Facilities					19,000	\sqcap	19,000
	Separator/Heater Treater/Dehydrator					8,500		8,500
	Meters & Flowlines		<u> </u>			1,000		1,000
	Miscellaneous Valves & Fittings		ļ	0.505		19,000	-	19,000
	Contingencies		-	6,500		10,000		16,500
	TOTAL TANGIBLIE EXPENSE TOTAL WELL COST		-	74,800		214,810	-	289,610
				668,750		358,210		1,026,960
	AFE IS ONLY AN ESTIMATE. BY RETURNING ONE APPRO				SHARE OF	THE ACTUAL	COST	rs incurred.
	rrington Oil & Gas, Inc. Approval:	Partner Appr	ova	al:				
Prepared By:	Steve Scott	Company:						
-				·				
Approved By:	XIIII	Approved By:				4		
- 6		~ <i>j</i> .						
Title:		Title:						
Date:	9/2/98	Date:		_				

214 West Texas Avenue Suite 409 (Zip 79701) P.O. Box 10187 Midland, Texas 79702

DALE DOUGLAS Oil & Gas Profestics

Area Code: 915 Phone: 682-5565 Fax: 682-5565

September 28, 1998

CERTIFIED MAIL-RETURN RECEIPT REQUESTED P 555 884 349

Joan Garrison 5221 Ira Street Fort Worth, TX 76117

Re:

Well Proposal Parachute Adams #1

SE/4 and Lots 9, 10, 15, and 16

Section 3-T16S-R35E Lea County, NM

Ladies and Gentlemen:

David H. Arrington Oil & Gas, Inc. ("Arrington") hereby proposes the drilling of a well to a depth sufficient to adequately test the lower Mississippian formation, anticipated total depth being approximately 12,700'. Furthermore, Arrington shall evaluate to its satisfaction, all other formations encountered at lesser depths in the drilling of said well. The proposed spacing or proration unit will be SE/4 and Lots 9, 10, 15, and 16, Section 3-T16S-R35E Lea County, New Mexico.

This well will be located at a legal location in the N/2 SE/4 of Section 3, T16S, R35E, Lea County, New Mexico. Arrington's AFE for the drilling and completion of this well are 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.

Upon receipt of your executed AFE, or by prior written request, we will forward for your review and execution Arrington's Joint Operating Agreement covering this proposed well.

In the event you own a leasehold interest under these lands and should elect to not participate in the drilling of this test well, Arrington respectfully requests that you grant to Arrington a term assignment of oil and gas leases covering your leasehold interest in the captioned lands pursuant to the following terms and conditions:

- a) one (1) year primary term
- b) retain as an overriding royalty the amount by which 22.5% exceeds existing royalty burdens
- c) a term assignment form will be furnished upon your request

In the event you own a mineral interest under these lands and should elect to not participate in the drilling of this test well, Arrington respectfully requests that you grant to Arrington an oil and gas lease covering your mineral interest in the captioned lands pursuant to the following terms and conditions:

- a) three (3) year primary term
- b) 3/16ths royalty
- c) \$152.00 per acre bonus
- d) Lease form Hall Poorbaugh Press Producers Revised 1981 New Mexico Form 342P Paid up

As we anticipate drilling the captioned well as soon as possible, we request that you please review this matter as soon as possible and advise as to your position regarding this proposal. Arrington would be glad to further discuss its plans for this well, so we invite you to contact us with any questions or comments you might have. Thank you for your cooperation.

Yours very traily.

Dale Douglas, CPL

/dd Enclosures

	AUTHORIT	Y FOR EXPE		TURE (AFE)		XOriginal
AFE#:	98-0904	Date:	Pre	epared 9-28-98		Supplemental
Lease:	Parachute Adams	Well#:	_1		Well Type:	Exploratory/Gas
Location:	BHL 1450' FSL & 990' FEL Sec 3, T16S, R35E	County:	Le	a	State:	New Mexico
Prospect:	North Airport	Objective:	Ato	oka/L. Miss	Proposed TD:	12,700
Purnose o	of Expenditure: Drill and Complete Low	er Mississio	plan	Test		
T dipose s		<u></u>				
##CODE	報告機能量をINTANGIBLE EXPENSE (数型	234624(84)	163	PORICEING BE	SECOMPLETION	JAN LANTOTAL SE
	Surveying			800 100		800
<u> </u>	Staking & Permitting Location, Roacs & Damages		-	16,000	2,000	18,000
	Lease Restoration			4,500		4,500
	Mobilization/De-mobilization		4			
 	Drilling - Footage			222,250 36,400		222,250
	Drilling - Directional	ау	+-	30,400	 	36,400
}	Completion Rig 8 @ \$1,500 /D	ay	1		16,000	16,000
	Fuel, Power & Lubricants					
ļ	Bits, Reamers & Stabilizers		4-4	25 000	ļ	
	Drilling & Completion Fluids Water		+	35,000 15,000	2,000	
 	Mud Logging 25 @ \$460 /D	av	+-	11,500	2,000	11,500
 	Drill Stem Tests (two (2) test)			12,000	 	12,000
	Coring Services		\Box			
	Logging - Open Hole & Sidewall Cores		\perp	39,000		39,000
	Cement & Services - Surface Cement & Services - Intermediate		+	5,000 10,000	 	5,000
ļ	Cement & Services - Production		+	10,000	15,000	
	Perforating & Cased Hole Logs				8,000	
	Acidizing, Fracturing & Stimulation		1	15.000	50,000	
ļ	Rental Equipment Installation - Production Facilities		+	15,000 2,500	3,500	
 	Inspection & Testing		+-	5,000	1,000	
	Transportation			2,000	3,500	
	Miscellaneous Labor		\Box	4,400	3,000	
<u> </u>	Engineering & Geological Services Overhead		4-	7,500	2,000	
 	Supervision		1-1	16,000 16,000	2,500	
ļ —	Directional Drilling Services			32,000	- 5,000	32,000
	Contingencies			54,000	13,000	
	Gross Receipts Tax	·	-	32,000	7,900	
	TOTAL INTANGIBLE EXPENSE		Ш	593,950	143,400	737,350
Excones	TANGIBLEIEXPENSE			PRINCES	MICOMPLETIONS	ESSESS STATES OF
7,500,50	Casing - Conductor of @			2,000	SPACOMINE CAROLING	2,000
	Casing - Surface 425 of 13 3/8" @			7,200	T	7,200
		\$13.30 /F		12,600		12,600
	Casing - Intermediate 3,800 of 8 5/8" @ Casing - Production 7,500 of 5 1/2" @	\$10.40 /F \$7.20 /F		39,500	54,000	39,500
	Casing - Production 5,200 of 5 1/2 @				54,000 43,160	
	Tubing 12,700 of 1 7/8" @				44,450	
	Float & Other Equipment		\Box	2,400	1,000	
	Wellhead Equipment, Tree Sucker Rods		┦┤	4,600	10,400	
 	Down Hole Pump		+-1		 	
	Packer/TAC				4,300	
	Pumping Unit & Prime Mover		\Box			0
ļ	Tank Battery & Storage Facilities Separator/Heater Treater/Dehydrator		╀╼╢		19,000	
	Meters & Flowlines		+-		1,000	
	Miscellaneous Valves & Fittings				19,000	
	Contingencies		\Box	6,500	10,000	16,500
	TOTAL TANGIBLE EXPENSE			74,800	214,810	289,610
<u> </u>	TOTAL WELL COST			668,750	358,210	1,026,960
NOTE: THIS	AFE IS ONLY AN ESTIMATE. BY RETURNING ONE APPRO	OVED COPY, Y	OU AC	GREE TO PAY YOUR SH	ARE OF THE ACTUAL	COSTS INCURRED.
David H A	Arrington Oil & Gas, .nc. Approval:	Partner App	rova	4-		
	annature on a coop may approved.	· maior opp	va	•••		
Prepared By:	Steve Scott	Company:				
J,	OLOVO OLOR	оопрану.				
Approved	- IM	Approved			_	
By:	SAIM	Ву:			<u> </u>	
Title:		Title:				
	-2/-/					

· · · · · · ·

214 West Texas Avenue Suite 409 (Zip 79701) P.O. Box 10187 Midland, Texas 79702

DALE DOUGLAS Oil & Gus Properties

Area Code: 915 Phone: 682-5565 Fax: 682-5565

--- · ·

September 28, 1998

CERTIFIED MAIL-RETURN RECEIPT REQUESTED P 555 884 3 VS

Ruth Marie Drake 2840 Las Vegas Trail #206 Fort Worth, TX 76116

Re:

Well Proposal Parachute Adams #1 SE/4 and Lots 9, 10, 15, and 16 Section 3-T16S-R35E Lea County, NM

Ladies and Gentlemen:

David H. Arrington Oil & Gas, Inc. ("Arrington") hereby proposes the drilling of a well to a depth sufficient to adequately test the lower Mississippian formation, anticipated total depth being approximately 12,700'. Furthermore, Arrington shall evaluate to its satisfaction, all other formations encountered at lesser depths in the drilling of said well. The proposed spacing or proration unit will be SE/4 and Lots 9, 10, 15, and 16, Section 3-T16S-R35E Lea County, New Mexico.

This well will be located at a legal location in the N/2 SE/4 of Section 3, T16S, R35E, Lea County, New Mexico. Arrington's AFE for the drilling and completion of this well are 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.

Upon receipt of your executed AFE, or by prior written request, we will forward for your review and execution Arrington's Joint Operating Agreement covering this proposed well.

In the event you own a leasehold interest under these lands and should elect to not participate in the drilling of this test well, Arrington respectfully requests that you grant to Arrington a term assignment of oil and gas leases covering your leasehold interest in the captioned lands pursuant to the following terms and conditions:

- a) one (1) year primary term
- b) retain as an overriding royalty the amount by which 22.5% exceeds existing royalty burdens
- c) a term assignment form will be furnished upon your request

In the event you own a mineral interest under these lands and should elect to not participate in the drilling of this test well, Arrington respectfully requests that you grant to Arrington an oil and gas lease covering your mineral interest in the captioned lands pursuant to the following terms and conditions:

- a) three (3) year primary term
- b) 3/16ths royalty
- c) \$152.00 per acre bonus
- d) Lease form Hall Poorbaugh Press Producers Revised 1981 New Mexico Form 342P Paid up

As we anticipate drilling the captioned well as soon as possible, we request that you please review this matter as soon as possible and advise as to your position regarding this proposal. Arrington would be glad to further discuss its plans for this well, so we invite you to contact us with any questions or comments you might have. Thank you for your cooperation.

Yours very truly.

Dale Douglas,

/dd

Enclosures

AUTHORITY FOR EXPENDITURE (AFE)

AFE #:	98-0904	Date:	Pr	epared 9-28-98		X Original Supplemental	
Lease:	Parachute Adams	Well #:	_1		Well Type:	Exploratory/Gas	
Location:	BHL 1450' FSL & 990' FEL Sec 3, T16S, R35E	l Couhty:	Le	a	State:	New Mexico	
Prospect:	North Airpor:	Objective:	At	oka/L. Miss	Proposed TD:	12,700'	
•		•			торозев те	12,700	
Purpose o	of Expenditure: Drill and Complete Low	er Mississip	piar	n lest			
CODE	MERCHANIS INTANGIBLE EXPENSE	SERVE ENGLEY	9 68		COMPLETION		
	Surveying Staking & Pennitting		+	800	-}	800	
	Location, Roads & Damages		+-	16,000	2,000		
	Lease Restoration			4,500		4,500	
	Mobilization/Demobilization		+-	200 050		 	
	Dritting - Footage 12,700 @ \$17.50 /F Dritting - Daywork 7 @ \$5,200 /D		╁	222,250 36,400		222,250 36,400	
	Drilling - Directional	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	+	30,400		30,400	
	Completion Rig 8 @ \$1,500 /D	ay			16,000	16,000	
	Fuel, Power & Lubricants		4-	}		 	
	Bits, Reamers & Stabilizers Orilling & Completion Fluids		╁	35,000	2,000	37,000	
ļ- -	Water		+	15,000	2,000		
	Mud Logging 25 @ \$460 /D	ay	1	11,500	2,000	11,500	
	Drill Stem Tests (two (2) test)		I	12,000		12,000	
	Coring Services		4_				
	Logging - Open Hole & Sidewall Cores			39,000 5,000		39,000	
	Cement & Services - Surface Cement & Services - Intermediate		+-	10,000		5,000	
	Cement & Services - Production		+-	10,000	15.000		
	Perforating & Cased Hole Logs				8,000		
	Acidizing, Fracturing & Stimulation		Ϊ_		50,000		
	Rental Equipment		+-	15,000	3,500		
 -	Installation - Production Facilities Inspection & Testing		+-	2,500	9,000		
	Transportation		+-	2,000	3,500		
	Miscellaneous Labor		+-	4,400	3,000		
	Engineering & Geological Services		I	7,500	2,000		
	Overhead		╁	16,000	2,500		
	Supervision Directional Drilling Services		+	16,000 32,000	3,000	19,000	
	Contingencies		+-	54,000	13,000		
	Gross Receipts Tax			32,000	7,900		
	TOTAL INTANGIBLE EXPENSE		T,	593,950	143,400	737,350	

RECORDER	Casing - Conductor of @			2,000	COMPLETION		
	Casing - Conductor of @ Casing - Surface 425 of 13 3/8" @			7,200	+	2,000	
		\$13.30 /F		12,600	 	12,600	
		\$10.40 /F		39,500		39,500	
	Casing - Production 7,500 of 5 1/2" @				54,000	54,000	
	Casing - Production 5,200 of 5 1/2" @ Tubing 12,700 of 1 7/8" @		-1		43,160 44,450		
	Float & Other Equipment	40.00 //	-	2,400	1,000		
	Wellhead Equipment, Tree			4,600	10,400		
	Sucker Rods		\perp			0	
	Down Hole Pump		+		 	0	
	Packer/TAC Pumping Unit & Prime Mover		+-		4,300	4,300	
	Tank Battery & Storage Facilities		+-		19,000	19,000	
	Separator/Heater Treater/Dehydrator				8,500		
	Meters & Flowlines		\perp		1,000	1,000	
	Miscellaneous Valves & Fittings		+-	8 500	19,000		
****	Contingencies TOTAL TANGIBLE EXPENSE		+	6,500 74,800	10,000		
	TOTAL WELL COST		┿	668,750	214,810 358,210		
NOTE: THIS	FAFE IS ONLY AN ESTIMATE. BY RETURNING ONE APPRO	OVED COPY, Y	OU A				
David H. A Prepared	Arrington Oil & Gas, Inc. Approval:	Partner App	rova	il:			
By:	Steve Scott	Company:					
Approved By:	9/2,/90	Approved By:					
Title:		Title:					
	0/1./00	_		 			
Data	"IT CIINTV	0-4					

214 West Texas Avenue Suite 409 (Zip 79701) P.O. Box 10187 Midland, Texas 79702

DALE DOUGLAS Oil & Gas Properties

Area Code: 915 Phone: 682-5565 Fax: 682-5565

September 28, 1998

CERTIFIED MAIL-RETURN RECEIPT REQUESTED P 555 884 353

Clifford R. Cone P.O. Box 1629 Lovington, NM 88260

Re:

Well Proposal Parachute Adams #1

SE/4 and Lots 9, 10, 15, and 16

Section 3-T16S-R35E Lea County, NM

Ladies and Gentlemen:

David H. Arrington Oil & Gas, Inc. ("Arrington") hereby proposes the drilling of a well to a depth sufficient to adequately test the lower Mississippian formation, anticipated total depth being approximately 12,700'. Furthermore, Arrington shall evaluate to its satisfaction, all other formations encountered at lesser depths in the drilling of said well. The proposed spacing or proration unit will be SE/4 and Lots 9, 10, 15, and 16, Section 3-T16S-R35E Lea County, New Mexico.

This well will be located at a legal location in the N/2 SE/4 of Section 3, T16S, R35E, Lea County, New Mexico. Arrington's AFE for the drilling and completion of this well are 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.

Upon receipt of your executed AFE, or by prior written request, we will forward for your review and execution Arrington's Joint Operating Agreement covering this proposed well.

In the event you own a leasehold interest under these lands and should elect to not participate in the drilling of this test well, Arrington respectfully requests that you grant to Arrington a term assignment of oil and gas leases covering your leasehold interest in the captioned lands pursuant to the following terms and conditions:

- a) one (1) year primary term
- b) retain as an overriding royalty the amount by which 22.5% exceeds existing royalty burdens
- c) a term assignment form will be furnished upon your request

In the event you own a mineral interest under these lands and should elect to not participate in the drilling of this test well, Arrington respectfully requests that you grant to Arrington an oil and gas lease covering your mineral interest in the captioned lands pursuant to the following terms and conditions:

- a) three (3) year primary term
- b) 3/16ths royalty
- c) \$152.00 per acre bonus
- d) Lease form Hall Poorbaugh Press Producers Revised 1981 New Mexico Form 342P Paid up

As we anticipate drilling the captioned well as soon as possible, we request that you please review this matter as soon as possible and advise as to your position regarding this proposal. Arrington would be glad to further discuss its plans for this well, so we invite you to contact us with any questions or comments you might have. Thank you for your cooperation.

Yours very truly.

Dale Douglas, dPL

/dd

Enclosures

AUTHORITY FOR EXPENDITURE (AFE)

AFE#:	98-0904	Date:	Pr	epared 9-28-98		X Original Supplemental
Lease:	Parachute Adams	Well #:	_1		Well Type:	Exploratory/Gas
Location:	BHL 1450' FSL & 990' FEL Sec 3, T16S, R35E	l County:	Le	a	State:	New Mexico
	North Airport	Objective:	At	oka/L. Miss	Proposed TD:	12,700'
•		•				
Purpose o	of Expenditure: Drill and Complete Low	er Mississip	piai	1 lest		
WAR THE	NEW METANGIBLE EXPENSE OF THE PROPERTY OF THE	w. Dr. ware die	হাত্ত্	HINNE DINING SHA	MCOMPIVE TION	I MALLIATOTAL PRESENT
S.CODE	Surveying			800	ag BOOM, ELIJON	800
	Staking & Permitting		\perp	100	2.000	100
}	Location, Roads & Damages Lease Restoration		+-	16,000 4,500	2,000	18,000
	Mobilization/Demobilization					1-1
	Drilling - Footage 12,700 @ \$17.50 /F		\perp	222,250		222,250
	Orilling - Daywork 7 @ \$5,200 /D	ay	╄	36,400		36,400
}	Drilling - Directional Completion Rid 8 @ \$1,500 /D	lav	╁		16,000	16,000
 	Fuel, Power & Lubricants	<u>ay</u>	+		10,000	10,000
	Bits, Reamers & Stabilizers					<u> </u>
	Drilling & Completion Fluids			35,000	2,000	
L	Water 25 @ \$400 /		\perp	15,000	2,000	
	Mud Logging 25 @ \$460 /D Drill Stem Tests (two (2) test)	ay	+	11,500 12,000		11,500
 	Coring Services		╀╌	12,000		12,000
	Logging - Open Hole & Sidewall Cores		+	39,000	1	39,000
	Cement & Serv ces - Surface			5,000		5,000
Ĺ	Cement & Services - Intermediate		4_	10,000		10,000
	Cement & Services - Production Perforating & Cased Hole Logs		╁—	 	15,000	
	Acidizing, Fracturing & Stimulation		+-	 	8,000 50,000	
	Rental Equipment		+-	15,000	3,500	
	Installation - Production Facilities		T	2,500	9,000	
	Inspection & Testing		L	5,000	1,000	
	Transportation		╁-	2,000	3,500	
	Miscellaneous Labor Engineering & Geological Services		┼┈	4,400 7,500	3,000	
 	Overhead		╁╴	16,000	2,500	
	Supervision		1-	16,000	3,000	
	Directional Drilling Services			32,000		32,000
	Contingencies		1_	54,000	13,000	
	Gross Receipts Tax		+-	32,000	7,900	
L	TOTAL INTANGIBLE EXPENSE		<u></u>	593,950	143,400	737,350
#CODE	TANGIBLE EXPENSE LIS				COMPLETION:	
<u> </u>	Casing - Conductor of @ Casing - Surface 425 of 13 3/8" @			2,000 7,200		2,000
}	Casing - Surface 425 of 13 3/8" @ Casing - Intermediate 950 of 8 5/8" @			12,600		7,200 12,600
		\$10.40 /Ft		39,500		39,500
	Casing - Production 7,500 of 5 1/2" @				54,000	
	Casing - Production 5,200 of 5 1/2" @				43,160	
	Tubing 12,700 of 1 7/8" @	\$3.50 /Ft	4	2.400	44,450	
 	Float & Other Equipment Wellhead Equipment, Tree		╁	2,400 4,600	1,000	
	Sucker Rods		+	7,000	10,400	15,000
	Down Hole Pump					0
	Packer/TAC		oxdapprox		4,300	4,300
	Pumping Unit & Prime Mover Tank Battery & Storage Facilities		-			0
 	Separator/Heater Treater/Dehydrator		╁		19,000	
	Meters & Flowlines		╁╌		8,500	
	Miscellaneous Valves & Fittings		1		19,000	
	Contingencies			6,500	10,000	
	TOTAL TANGIBLE EXPENSE			74,800	214,810	289,610
	TOTAL WELL COST		匚	668,750	358,210	1,026,960
David H. A	s AFE IS ONLY AN ESTIMATE. BY RETURNING ONE APPRO Arrington Oil & Gas, Inc. Approval:	Partner App			SHARE OF THE ACTUAL	COSTS INCURRED.
Prepared By:	Steve Scott	Company:				
Approved By:	STAIR	Approved By:				
Title:	9/2,/94	Title:				
Date:	-4~ 10	Date:				

: =::

214 West Texas Avenue Suite 409 (Zip 79701) P.O. Box 10187 Midland, Texas 79702

DALE DOUGLAS Oil & Gas Properties

Area Code: 915 Phone: 682-5565 Fax: 682-5565

September 28, 1998

CERTIFIED MAIL-RETURN RECEIPT REQUESTED P555 884 351

A.L. Cone Partnership C/O Mr. Larry Petree P.O. Box 3457 Lubbock, TX 79452

Re:

Well Proposal
Parachute Adams #1

SE/4 and Lots 9, 10, 15, and 16

Section 3-T16S-R35E Lea County, NM

Ladies and Gentlemen:

David H. Arrington Oil & Gas, Inc. ("Arrington") hereby proposes the drilling of a well to a depth sufficient to adequately test the lower Mississippian formation, anticipated total depth being approximately 12,700'. Furthermore, Arrington shall evaluate to its satisfaction, all other formations encountered at lesser depths in the drilling of said well. The proposed spacing or proration unit will be SE/4 and Lots 9, 10, 15, and 16, Section 3-T16S-R35E Lea County, New Mexico.

This well will be located at a legal location in the N/2 SE/4 of Section 3, T16S, R35E, Lea County, New Mexico. Arrington's AFE for the drilling and completion of this well are 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.

Upon receipt of your executed AFE, or by prior written request, we will forward for your review and execution Arrington's Joint Operating Agreement covering this proposed well.

In the event you own a leasehold interest under these lands and should elect to not participate in the drilling of this test well, Arrington respectfully requests that you grant to Arrington a term assignment of oil and gas leases covering your leasehold interest in the captioned lands pursuant to the following terms and conditions:

- a) one (1) year primary term
- b) retain as an overriding royalty the amount by which 22.5% exceeds existing royalty burdens
- c) a term assignment form will be furnished upon your request

In the event you own a mineral interest under these lands and should elect to not participate in the drilling of this test well, Arrington respectfully requests that you grant to Arrington an oil and gas lease covering your mineral interest in the captioned lands pursuant to the following terms and conditions:

- a) three (3) year primary term
- b) 3/16ths royalty
- c) \$152.00 per acre bonus
- d) Lease form Hall Poorbaugh Press Producers Revised 1981 New Mexico Form 342P Paid up

As we anticipate drilling the captioned well as soon as possible, we request that you please review this matter as soon as possible and advise as to your position regarding this proposal. Arrington would be glad to further discuss its plans for this well, so we invite you to contact us with any questions or comments you might have. Thank you for your cooperation.

Yours very fully.

Date Douglas, CPL

/dd Enclosures

AUTHORITY FOR EXPENDITURE (AFE)

AFE #:	98-0904	Date:	Pr	epared 9-28-98		X Original Supplemental
Lease:	Parachute Adams	Well #:	_1		Well Type:	Exploratory/Gas
Location:	BHL 1450' FSL & 990' FEL Sec 3, T16S, R35E	County:	Le	a	State:	New Mexico
Prospect:	North Airport	Objective:	At	oka/L. Miss	Proposed TD:	12,700
•	f Expenditure: Drill and Complete Low	er Missission	- oiai	n Test		
i dipose o	<u>still diva domptoto dom</u>					
MECODE!	THE STATE OF THE S	and the same	4	ISSORIETING SE	COMPLETION	PER LOTTO TENER
3.EO O.O.C.S.	Surveying	Q-2-107-107-107-107-107-107-107-107-107-107		800		800
	Staking & Permitting		╄-	100		100
	Lease Restoration		\vdash	16,000	2,000	18,000
	Mobilization/Demobilization		+-	4,500		1-1
	Drilling - Footage 12,700 @ \$17.50 /F	t	\vdash	222,250		222,250
	Drilling - Daywork 7 @ \$5,200 /D	ay		36,400		36,400
	Drilling - Directional		\perp			
	Completion Ric 8 @ \$1,500 /C	ay	-	ļ	16,000	16,000
	Fuel, Power & Lubricants		┼-	ļ		
	Bits, Reamers & Stabilizers Drilling & Completion Fluids		╢	35,000	2000	1 27 000
<u> </u>	Water		+	15,000	2,000	
 	Mud Logging 25 @ \$460 /C	ay	1-	11,500	2,000	11,500
	Drill Stem Tests (two (2) test)	·	1	12,000		12,000
	Coring Services		Γ			
	Logging - Open Hole & Sidewall Cores		Γ	39,000		39,000
	Cement & Services - Surface		1_	5,000		5,000
ļ	Cement & Services - Intermediate		╁	10,000	15.000	10,000
 _	Cement & Services - Production Perforating & Cased Hole Logs		┼-	 	15,000	
 	Acidizing, Fracturing & Stimulation		+-	 	50,000	
 	Rental Equipment		1	15,000	3,500	
	Installation - Production Facilities		t	2,500	9,000	
	Inspection & Testing			5,000	1,000	
	Transportation			2,000	3,500	
	Miscellaneous Labor		1_	4,400	3,000	
	Engineering & Geological Services		1	7,500	2,000	
	Overhead		╀	16,000	2,500	
	Supervision Directional Drilling Services		+	16,000	3,000	
	Contingencies		╁╌	32,000 54,000	13,000	32,000
 	Gross Receipts Tax		+-	32,000	7,900	
	TOTAL INTANG BLE EXPENSE		+-	593,950	143,400	
			٠.		143,400	107,000
RECODES	TANGIBLEIEXPENSETON	220000000000000000000000000000000000000	100	BOOD RILLEING WA	ECOMPLETION:	EN STATE OF
	Casing - Conductor of @			2,000		2,000
	Casing - Surface 425 of 13 3/8" @	\$17.00 /Ft		7,200	1.	7,200
	Casing - Intermediate 950 of 8 5/8" @			12,600		12,600
		\$10.40 /Ft		39,500		39,500
	Casing - Production 7,500 of 5 1/2" @				54,000	
	Casing - Production 5,200 of 5 1/2" @ Tubing 12,700 of 1 7/8" @			 	43,160	
	Float & Other Equipment	\$3.50 H (+-	2,400	44,450	
ļ	Wellhead Equipment, Tree		┢	4,600	10,400	
	Sucker Rods		\vdash	1	1	1 0
	Down Hole Pump					1 1 0
	Packer/TAC				4,300	4,300
	Pumping Unit & Prime Mover		┞-	 		0
ļ — —	Tank Battery & Storage Facilities			 	19,000	
<u> </u>	Separator/Heater Treater/Dehydrator Meters & Flowlines		-	 	8,500	
	Miscellaneous Valves & Fittings		╌	 	1,000	
	Contingencies		1	6,500	10,000	
	TOTAL TANGIBLE EXPENSE		1	74,800	214,810	
	TOTAL WELL COST		-	668,750	358,210	
	** 					
	AFE IS ONLY AN ESTIMATE. BY RETURNING ONE APPRI				HARE OF THE ACTUAL	COSTS INCURRED.
	Arrington Oil & Gas, Inc. Approval:	Partner Appr	OVA	31.		
Prepared By:	Steve Scott	Company:				
Approved	120	Approved				
Ву:	9/2,/90	Ву:				
Title:		Title:				
	0/2./0"	•				
Date	Yrr "6) / 4/6	Data:				

: #::

DALE DOUGLAS Oil & Gas Properties

Area Code: 915 Phone: 682-5565 Fax: 682-5565

September 28, 1998

CERTIFIED MAIL-RETURN RECEIPT REQUESTED P.555 884 348

Tommy Gene Schnaubert 233 Lock Lamond Wichita Falls, TX 76302

Re:

Well Proposal Parachute Adams #1 SE/4 and Lots 9, 10, 15, and 16 Section 3-T16S-R35E Lea County, NM

Ladies and Gentlemen:

David H. Arrington Oil & Gas, Inc. ("Arrington") hereby proposes the drilling of a well to a depth sufficient to adequately test the lower Mississippian formation, anticipated total depth being approximately 12,700". Furthermore, Arrington shall evaluate to its satisfaction, all other formations encountered at lesser depths in the drilling of said well. The proposed spacing or proration unit will be SE/4 and Lots 9, 10, 15, and 16, Section 3-T16S-R35E Lea County, New Mexico.

This well will be located at a legal location in the N/2 SE/4 of Section 3, T16S, R35E, Lea County, New Mexico. Arrington's AFE for the drilling and completion of this well are 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.

Upon receipt of your executed AFE, or by prior written request, we will forward for your review and execution Arrington's Joint Operating Agreement covering this proposed well.

In the event you own a leasehold interest under these lands and should elect to not participate in the drilling of this test well, Arrington respectfully requests that you grant to Arrington a term assignment of oil and gas leases covering your leasehold interest in the captioned lands pursuant to the following terms and conditions:

- a) one (1) year primary term
- b) retain as an overriding royalty the amount by which 22.5% exceeds existing royalty burdens
- c) a term assignment form will be furnished upon your request

In the event you own a mineral interest under these lands and should elect to not participate in the drilling of this test well, Arrington respectfully requests that you grant to Arrington an oil and gas lease covering your mineral interest in the captioned lands pursuant to the following terms and conditions:

- a) three (3) year primary term
- b) 3/16ths royalty
- c) \$152.00 per acre bonus
- d) Lease form Hall Poorbaugh Press Producers Revised 1981 New Mexico Form 342P Paid up

Yours very touly

Dale Douglas, CPL

/dd Enclosures

AUTHORITY FOR EXPENDITURE (AFE)

AFE #:	98-0904	Date:		epared 9-28-98		X Original Supplemental
Lease:	Parachute Adams	Well #:	_1		Well Type:	Exploratory/Gas
	BHL 1450' FSL & 990' FEL Sec 3, T16S, R35E	į Couhty:	Le	a	State:	New Mexico
	North Airport	Objective:		oka/L. Miss	Proposed TD:	12,700'
,			_		Treposed to.	12,100
Purpose o	f Expenditure: Drill and Complete Low	er Mississip	piar	ı iest		
			—			<u> </u>
ECODE#	製物を発展的な影響がMTANGIBLE EXPENSE を変	ero meneral	ėleni	認識DRIPEING 最初	SCOMPLETIONS	LEEL LATOTERES NEL
2.TOO.D.C.s	Surveying			800		800
 	Staking & Permitting Location, Roads & Damages			100	2.000	100
	Lease Restoration		十	4,500	2,000	4,500
	Mobilization/Demobilization		I			
	Drilling - Footage 12,700 @ \$17.50 /F		+	222,250	-	222,250
	Drilling - Daywork 7 @ \$5,200 /D Drilling - Direct onal	ay	╂	36,400	 	36,400
	Completion Ric 8 @ \$1,500 /D	ay	十	 	16,000	16,000
	Fuel, Power & Lubricants		\perp			
	Bits, Reamers & Stabilizers		\bot		 	
	Drilling & Completion Fluids Water		╁	35,000 15,000	2,000	
	Mud Logging 25 @ \$460 /D	av	╁	11,500	2,000	17,000
· · · · · · · · · · · · · · · · · · ·	Drill Stem Tests (two (2) test)		1	12,000		12,000
	Coring Services		\Box			
	Logging - Open Hole & Sidewall Cores		1	39,000		39,000
	Cement & Services - Surface		╂	5,000		5,000
	Cement & Services - Intermediate Cement & Services - Production		┼┈	10,000	15,000	10,000
}	Perforating & Cased Hole Logs		+	 	8,000	
	Acidizing, Fracturing & Stimulation				50,000	
	Rental Equipment		L	15,000	3,500	
<u> </u>	Installation - Production Facilities		 	2,500	9,000	
ļ	Inspection & Testing Transportation		╁	5,000 2,000	1,000 3,500	
	Miscellaneous Labor		+-	4,400	3,000	
	Engineering & Geological Services		T	7,500	2,000	9,500
	Overhead		↓_	16,000	2,500	
	Supervision Directional Drilling Services		┼~	16,000 32,000	3,000	19,000
	Contingencies		┿	54,000	13,000	
	Gross Receipts Tax			32,000	7,900	
	TOTAL INTANGIBLE EXPENSE		L	593,950	143,400	737,350
ran - A		SPACE SPICE SERVICE	A Table to			
ECODE	JANGIBLEIEXPENSE				COMPLETIONS	
<u> </u>	Casing - Conductor of @ Casing - Surface 425 of 13 3/8" @			7,200	 	2,000 7,200
 	Casing - Intermediate 950 of 8 5/8" @			12,600	 	12,600
	Casing - Intermediate 3,800 of 8 5/8" @	\$10.40 /F		39,500	1	39,500
	Casing - Production 7,500 of 5 1/2" @	\$7.20 /F			54,000	
	Casing - Production 5,200 of 5 1/2" @ Tubing 12,700 of 1 7/8" @				43,160	
 	Float & Other Equipment	\$3.50 AF	+	2,400	1,000	
	Wellhead Equipment, Tree		+	4,600	10,400	
	Sucker Rods					0
ļ	Down Hole Pump		1			0
 	Packer/TAC Pumping Unit & Prime Mover		\vdash	 	4,300	4,300
	Tank Battery & Storage Facilities		1	 -	19,000	19,000
	Separator/Heater Treater/Dehydrator				8,500	
	Meters & Flowlines				1,000	
<u> </u>	Miscellaneous Valves & Fittings . Contingencies		┼-	6 500	19,000	
	TOTAL TANGIBLE EXPENSE		+-	6,500 74,800	10,000	
	TOTAL WELL COST		+-	668,750	214,810 358,210	
						
	AFE IS ONLY AN ESTIMATE. BY RETURNING ONE APPRO				ARE OF THE ACTUAL	COSTS INCURRED.
	rrington Oil & Gas, Inc. Approval:	Partner App	ı UV8			
Prepared By:	Steve Scott	Company:				
Approved	- 1/1	Approved				
Ву:	STAIN	Ву:				
Title:		Title				
Title: Date:	9/2/98	Title: Date:				

: #::

DALE DOUGLAS Oil & Gas Properties

Area Code: 915 Phone: 682-5565 Fax: 682-5565

September 28, 1998

CERTIFIED MAIL-RETURN RECEIPT REQUESTED P 555 884 347

Bobby Joe Schnaubert 1707 Fox Road Millsap, TX 76066

Re:

Well Proposal Parachute Adams #1 SE/4 and Lots 9, 10, 15, and 16 Section 3-T16S-R35E Lea County, NM

Ladies and Gentlemen:

David H. Arrington Oil & Gas, Inc. ("Arrington") hereby proposes the drilling of a well to a depth sufficient to adequately test the lower Mississippian formation, anticipated total depth being approximately 12,700'. Furthermore, Arrington shall evaluate to its satisfaction, all other formations encountered at lesser depths in the drilling of said well. The proposed spacing or proration unit will be SE/4 and Lots 9, 10, 15, and 16, Section 3-T16S-R35E Lea County, New Mexico.

This well will be located at a legal location in the N/2 SE/4 of Section 3, T16S, R35E, Lea County, New Mexico. Arrington's AFE for the drilling and completion of this well are 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.

Upon receipt of your executed AFE, or by prior written request, we will forward for your review and execution Arrington's Joint Operating Agreement covering this proposed well.

In the event you own a leasehold interest under these lands and should elect to not participate in the drilling of this test well, Arrington respectfully requests that you grant to Arrington a term assignment of oil and gas leases covering your leasehold interest in the captioned lands pursuant to the following terms and conditions:

- a) one (1) year primary term
- b) retain as an overriding royalty the amount by which 22.5% exceeds existing royalty burdens
- c) a term assignment form will be furnished upon your request

In the event you own a mineral interest under these lands and should elect to not participate in the drilling of this test well, Arrington respectfully requests that you grant to Arrington an oil and gas lease covering your mineral interest in the captioned lands pursuant to the following terms and conditions:

- a) three (3) year primary term
- b) 3/16ths royalty
- c) \$152.00 per acre bonus
- d) Lease form Hall Poorbaugh Press Producers Revised 1981 New Mexico Form 342P Paid up

Yours very truly,

Dale Douglay, CPL

/dd

Enclosures

AUTHORITY FOR EXPENDITURE (AFE)

AFE #:	98-0904	Date:	Pr	epared 9-28-98		X Original Supplemental
Lease:	Parachute Adams	Well #:	_1		Well Type:	Exploratory/Gas
Location:	BHL 1450' FSL & 990' FEL Sec 3, T16S, R35E	County:	Le	a	State:	New Mexico
Prospect:	North Airport	Objective:	At	oka/L. Miss	Proposed TD:	12,700'
Purpose o	f Expenditure: Drill and Complete Low	er Mississip	plar	n Test		
,p		•				
CODE	NAME OF THE PROPERTY OF THE 	2012 G 2018 G P	14:3	25 DRILLING	COMPLETION	LEGISLATOTAL SEL
	Surveying		-	800		800
	Staking & Permitting Location, Roads & Damages		╀	16,000	2,000	100
 -	Lease Restoration		+-	4,500		4,500
	Mobilization/Demobilization		Г			
	Drilling - Footage 12,700 @ \$17.50 /F		\downarrow	222,250		222,250
<u> </u>	Drilling - Daywork 7 @ \$5,200 /D	ay	+-	36,400		36,400
<u> </u>	Completion Rig 8 @ \$1,500 /D	lay	\vdash	 	16,000	16,000
	Fuel, Power & Lubricants					
	Bits, Reamers & Stabilizers		1	L		
<u> </u>	Oriting & Completion Fluids Water		╂-	35,000	2,000	
	Mud Logging 25 @ \$460 /D	av	+-	15,000 11,500	2,000	17,000
	Drill Stem Tests (two (2) test)		+	12,000		12,000
	Coring Services		I			1-1
	Logging - Oper Hole & Sidewall Cores		\Box	39,000		39,000
ļ	Cement & Services - Surface		╄-	5,000		5,000
	Cement & Services - Intermediate Cement & Services - Production		-	10,000	15,000	10,000
} -	Perforating & Cased Hole Logs		╁	·	8,000	
-	Acidizing, Fracturing & Stimulation		1		50,000	
	Rental Equipment		\Box	15,000	3,500	18,500
ļ	Installation - Production Facilities		╄-	2,500	9,000	
<u> </u>	Inspection & Testing Transportation		╀	5,000 2,000	1,000	
	Miscellaneous Labor		+-	4,400	3,500	
	Engineering & Cieological Services		T	7,500	2,000	
	Overhead			16,000	2,500	
	Supervision Directional Drilling Services		╁	16,000 32,000	3,000	
	Contingencies		╁╌	54,000	13,000	32,000 67,000
	Gross Receipts Tax			32,000	7,900	
	TOTAL INTANGIBLE EXPENSE			593,950	143,400	737,350
****		ORANI OTELAZIO	Laste			
RECODE	Casing - Conductor of @			2,000	E COMPLETIONS	
	Casing - Conductor of @ Casing - Surface 425 of 13 3/8" @		+	7,200		7,200
	Casing - Intermediate 950 of 8 5/8" @	\$13.30 /Ft		12,600	 	12,600
	Casing - Intermediate 3,800 of 8 5/8" @	• \$10.40 /Ft		39,500		39,500
	Casing - Production 7,500 of 5 1/2" @				54,000	
	Casing - Production 5,200 of 5 1/2" @ Tubing 12,700 of 1 7/8" @		-		43,160	
	Tubing 12,700 of 1 7/8" @ Float & Other Equipment	\$3.50 /Ft	+-	2,400	44,450 1,000	
	Wellhead Equipment, Tree		1	4,600	10,400	
	Sucker Rods					0
<u> </u>	Down Hole Pump		1			0
	Packer/TAC Pumping Unit & Frime Mover		1-	 	4,300	4,300
	Tank Battery & Storage Facilities		╁	 	19,000	19,000
	Separator/Heater Treater/Dehydrator				8,500	
	Meters & Flowlines		匚		1,000	1,000
	Miscellaneous Valves & Fittings Contingencies		-	6,500	19,000	
	TOTAL TANGIBLE EXPENSE		-	74,800	10,000	
	TOTAL WELL COST		+-	668,750	214,810 358,210	
NOTE: THIS	AFE IS ONLY AN ESTIMATE. BY RETURNING ONE APPRO	OVED COBY VO	11.6			
	rrington Oil & Gas, Inc. Approval:	Partner App			THE ACTUAL	COSTO INCURRED.
Prepared	· ·	• •				
By:	Steve Scott	Company:				
Approved	111	Approved				
By:	XINIT	Ву:				
	9/2, 190					
Title:		Title:				
n	9/1,100					

DALE DOUGLAS Oil & Gas Profesties

Area Code: 915 Phone: 682-5565 Fax: 682-5565

September 28, 1998

CERTIFIED MAIL-RETURN RECEIPT REQUESTED P 555 884 341

Katherine Cone Keck Aka Katherine Adeline Cone 1801 Avenue of the Stars, Suite 446 Los Angeles, CA 90067

Re:

Well Proposal Parachute Adams #1 SE/4 and Lots 9, 10, 15, and 16 Section 3-T16S-R35E Lea County, NM

Ladies and Gentlemen:

David H. Arrington Oil & Gas, Inc. ("Arrington") hereby proposes the drilling of a well to a depth sufficient to adequately test the lower Mississippian formation, anticipated total depth being approximately 12,700'. Furthermore, Arrington shall evaluate to its satisfaction, all other formations encountered at lesser depths in the drilling of said well. The proposed spacing or proration unit will be SE/4 and Lots 9, 10, 15, and 16, Section 3-T16S-R35E Lea County, New Mexico.

This well will be located at a legal location in the N/2 SE/4 of Section 3, T16S, R35E, Lea County, New Mexico. Arrington's AFE for the drilling and completion of this well are 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.

Upon receipt of your executed AFE, or by prior written request, we will forward for your review and execution Arrington's Joint Operating Agreement covering this proposed well.

In the event you own a leasehold interest under these lands and should elect to not participate in the drilling of this test well, Arrington respectfully requests that you grant to Arrington a term assignment of oil and gas leases covering your leasehold interest in the captioned lands pursuant to the following terms and conditions:

- a) one (1) year primary term
- b) retain as an overriding royalty the amount by which 22.5% exceeds existing royalty burdens
- c) a term assignment form will be furnished upon your request

In the event you own a mineral interest under these lands and should elect to not participate in the drilling of this test well, Arrington respectfully requests that you grant to Arrington an oil and gas lease covering your mineral interest in the captioned lands pursuant to the following terms and conditions:

- a) three (3) year primary term
- b) 3/16ths royalty
- c) \$152.00 per acre bonus
- d) Lease form Hall Poorbaugh Press Producers Revised 1981 New Mexico Form 342P Paid up

•

Yours very truly,

Dale Douglas, CPL

/dd

Enclosures

AUTHORITY FOR EXPENDITURE (AFE)

AFE #:	98-0904	Date:	Pr	epared 9-28-98		X Original Supplemental
Lease:	Parachute Adams	Well #:	_1		Well Type:	Exploratory/Gas
Location:	BHL 1450' FSL & 990' FEL Sec 3, T16S, R35E	County:	<u>L</u> e	a	State:	New Mexico
Prospect:	North Airport	Objective:	At	oka/L. Miss	Proposed TD:	12,700'
	of Expenditure: Drill and Complete Low	er Missission	oiar	n Test		
i dipose e	Experience State Security Secu					
#CODE	THE THE SECOND TO THE SECOND THE		193	CONDRICTING WE	COMPLETION	SALIATOTAL N
	Surveying Staking & Permitting		-	800	 	800 100
	Location, Roads & Damages		匚	16,000	2,000	18,000
	Lease Restoration Mobilization/Demobilization		├	4,500		4,500
	Drilling - Footage 12,700 @ \$17.50 /F	<u> </u>	╁	222,250		222,250
	Drilling - Daywork 7 @ \$5,200 /D		T.	36,400	 	36,400
	Drilling - Directional		L			
	Completion Rig 8 @ \$1,500 /D	ay	┼-	}	16,000	16,000
	Bits, Reamers & Stabilizers		╁╴	 	+	
	Drilling & Completion Fluids			35,000	2,000	37,000
	Water		L	15,000	2,000	
ļ	Mud Logging 25 @ \$460 /D Drill Stem Tests (two (2) test)	ay	∤ _	11,500		11,500
\ -	Coring Services		1	12,000	+	12,000
	Logging - Open Hole & Sidewall Cores			39,000		39,000
	Cement & Services - Surface			5,000		5,000
ļ	Cement & Services - Intermediate Cement & Services - Production		╢	10,000	15,000	10,000
	Perforating & Cased Hole Logs		╁	 	8,000	171777
	Acidizing, Fracturing & Stimulation				50,000	50,000
	Rental Equipment		╁	15,000	3,500	
	Installation - Production Facilities Inspection & Testing		╁	2,500 5,000	9,000	
 	Transportation		\vdash	2,000	3,500	
	Miscellaneous Labor			4,400	3,000	7,400
L	Engineering & Geological Services		ļ.,	7,500	2,000	
	Overhead Supervision		╁	16,000 16,000	2,500	
	Directional Drilling Services		1	32,000	0,000	32,000
	Contingencies			54,000	13,000	
	Gross Receipts Tax	<u> </u>	-	32,000	7,900	
	TOTAL INTANGIBLE EXPENSE		<u></u>	593,950	143,400	737,350
SCODE	TANGIBLEIEXPENSE			DRILLING 1	ELECOMPLETIONS	TOTAL
	Casing - Conductor of @	/Ft		2,000		2,000
 	Casing - Surface 425 of 13 3/8" @			7,200		7,200
<u> </u>	Casing - Intermediate 950 of 8 5/8" @ Casing - Intermediate 3,800 of 8 5/8" @	\$13.30 /Ft \$10.40 /Ft		12,600 39,500	 	12,600 39,500
	Casing - Production 7,500 of 5 1/2" @	\$7.20 /Ft			54,000	54,000
	Casing - Production 5,200 of 5 1/2" @				43,160	
 	Tubing 12,700 of 1 7/8" @ Float & Other Equipment	\$3.50 /Ft	-	2,400	44,450 1,000	44,450
 -	Wellhead Equipment, Tree		1	4,600	10,400	3,400
	Sucker Rods					0
 	Down Hole Pump Packer/TAC		┞			0
 	Pumping Unit & Prime Mover		 		4,300	4,300
	Tank Battery & Storage Facilities				19,000	19,000
	Separator/Heater Treater/Dehydrator		L		8,500	8,500
<u> </u>	Meters & Flowlines Miscellaneous Valves & Fittings			- 	1,000	1,000
	Contingencies		-	6,500	10,000	19,000 16,500
	TOTAL TANGIBLE EXPENSE			74,800	214,810	289,610
	TOTAL WELL COST			668,750	358,210	1,026,960
NOTE: THIS	AFE IS ONLY AN ESTIMATE. BY RETURNING ONE APPRO	OVED COPY, YO	U A	GREE TO PAY YOUR SH	ARE OF THE ACTUAL (COSTS INCURRED.
	Arrington Oil & Gas,∷nc. Approval:	Partner Appr	ova	al;		
Prepared By:	Steve Scott	Company:				
Approved By:	9/2/98	Approved By:				
Title:		Title:				_
	Q/1./00				· · · · · · · · · · · · · · · · · · ·	
Date:	7/1 4/) 1 7/ %	Date:				

DALE DOUGLAS Oil & Gas Properties

Area Code: 915 Phone: 682-5565 Fax: 682-5565

September 28, 1998

CERTIFIED MAIL-RETURN RECEIPT REQUESTED P 555 884 343

Carl A. Schellinger Gloria Schellinger P.O. Box 447 Roswell, NM 83202

Re:

Well Proposal Parachute Adams #1 SE/4 and Lots 9, 10, 15, and 16 Section 3-T16S-R35E Lea County, NM

Ladies and Gentlemen:

David H. Arrington Oil & Gas, Inc. ("Arrington") hereby proposes the drilling of a well to a depth sufficient to adequately test the lower Mississippian formation, anticipated total depth being approximately 12,700'. Furthermore, Arrington shall evaluate to its satisfaction, all other formations encountered at lesser depths in the drilling of said well. The proposed spacing or proration unit will be SE/4 and Lots 9, 10, 15, and 16, Section 3-T16S-R35E Lea County, New Mexico.

This well will be located at a legal location in the N/2 SE/4 of Section 3, T16S, R35E, Lea County, New Mexico. Arrington's AFE for the drilling and completion of this well are 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.

Upon receipt of your executed AFE, or by prior written request, we will forward for your review and execution Arrington's Joint Operating Agreement covering this proposed well.

In the event you own a leasehold interest under these lands and should elect to not participate in the drilling of this test well, Arrington respectfully requests that you grant to Arrington a term assignment of oil and gas leases covering your leasehold interest in the captioned lands pursuant to the following terms and conditions:

- a) one (1) year primary term
- b) retain as an overriding royalty the amount by which 22.5% exceeds existing royalty burdens
- c) a term assignment form will be furnished upon your request

In the event you own a mineral interest under these lands and should elect to not participate in the drilling of this test well, Arrington respectfully requests that you grant to Arrington an oil and gas lease covering your mineral interest in the captioned lands pursuant to the following terms and conditions:

- a) three (3) year primary term
- b) 3/16ths royalty
- c) \$152.00 per acre bonus
- d) Lease form Hall Poorbaugh Press Producers Revised 1981 New Mexico Form 342P Paid up

1

Yours very truly,

Dale Douglas, CPL

/dd

Enclosures

AUTHORITY FOR EXPENDITURE (AFE)

AFE #:	98-0904	Date:	<u>Pr</u>	epared 9-28-98		X Original Supplemental
Lease:	Parachute Adams	Well #:	_1		Well Type:	Exploratory/Gas
	BHL 1450' FSL & 990' FEL Sec 3, T16S, R35E	County:	Le	a	State:	New Mexico
	North Airport	Objective:	At	oka/L. Miss	Proposed TD:	12,700'
,	of Expenditure: Drill and Complete Low	•				
	Only and Complete Low				# COMPLETION	
	Surveying			800		800
	Staking & Permitting Location, Roads & Damages		+-	16,000	2,000	100
}	Lease Restoration		1-	4,500	2,000	4,500
	Mobilization/Demobilization		I			
<u> </u>	Drilling - Footage 12,700 @ \$17.50 /F		+	222,250		222,250
} -	Drilling - Daywork 7 @ \$5,200 /D	ay	+	36,400		36,400
	Completion Rig 8 @ \$1,500 /D	ау	十	 	16,000	16,000
	Fuel, Power & Lubricants					
	Bits, Reamers & Stabilizers		L			
<u> </u>	Drilling & Completion Fluids		+-	35,000	2,000	
 	Water	av	+	15,000 11,500	2,000	17,000
 	Drill Stem Tests (two (2) test)	<u> </u>	+	12,000	 	11,500
}	Coring Services		1	12,000		12,000
	Logging - Open Hole & Sidewall Cores		I	39,000		39,000
	Cement & Services - Surface		L	5,000		5,000
ļ	Cement & Services - Intermediate		+	10,000	45.000	10,000
<u> </u>	Cement & Services - Production Perforating & Cased Hole Logs		╁	 	15,000	
	Acidizing, Fracturing & Stimulation		+	 	50,000	
	Rental Equipment			15,000	3,500	
	Installation - Production Facilities		1	2,500	9,000	
	Inspection & Testing		-	5,000	1,000	
	Transportation Miscellaneous Labor		+-	2,000	3,500	
	Engineering & Geological Services		†	7,500	2,000	
	Overhead			16,000	2,500	
	Supervision		1_	16,000	3,000	
}	Directional Drilling Services Contingencies		╀╌	32,000 54,000	13,000	32,000
	Gross Receipts Tax		╁	32,000	7,900	
	TOTAL INTANGIBLE EXPENSE		+	593,950	143,400	
				 		
特CODE	TANGIBLE EXPENSE OF			DRILLEINGHA	COMPLETION	TOTAL TOTAL
ļ	Casing - Conductor of @			2,000		2,000
ļ	Casing - Surface 425 of 13 3/8" @ Casing - Intermediate 950 of 8 5/8" @			7,200		7,200
 _		\$10.40 /F		39,500	 	12,600 39,500
	Casing - Production 7,500 of 5 1/2" @	\$7.20 /F		00,000	54,000	54,000
	Casing - Production 5,200 of 5 1/2" @				43,160	43,160
 	Tubing 12,700 of 1 7/8" @	\$3.50 /F	4-	1	44,450	
	Float & Other Equipment Wellhead Equipment, Tree		╁╴	2,400 4,600	1,000	
	Sucker Rods		1	7,000	10,400	15,000
	Down Hole Pump					0
	Packer/TAC		Ţ		4,300	4,300
	Pumping Unit & Frime Mover Tank Battery & Storage Facilities		+-	 	10.000	10,000
	Separator/Heater Treater/Dehydrator		┼~	 	19,000	19,000 8,500
	Meters & Flowlines		1	1	1,000	
	Miscellaneous Valves & Fittings		I		19,000	19,000
<u> </u>	Contingencies		1	6,500	10,000	
	TOTAL TANGIBLE EXPENSE		↓_	74,800	214,810	
	TOTAL WELL COST		1	668,750	358,210	1,026,960
	AFE IS ONLY AN ESTIMATE. BY RETURNING ONE APPRO Arrington Oil & Gas, Inc. Approval:	OVED COPY, Yo Partner App			HARE OF THE ACTUAL	COSTS INCURRED.
Prepared						
Ву:	Steve Scott	Company:				
Approved	.11.	Approved				
Ву:	9/2.100	Ву:			4	
6						
Title:		Title:				
_	Min lan	_				

: #7:

DALE DOUGLAS Oil & Gas Properties

Area Code: 915 Phone: 682-5565 Fax: 682-5565

September 28, 1998

CERTIFIED MAIL-RETURN RECEIPT REQUESTED P 555 884 354

Marjoire Cone Kastman P.O. Box 5930 1640 Broadway Lubbock, TX 79417

Re:

Well Proposal Parachute Adams #1 SE/4 and Lots 9, 10, 15, and 16 Section 3-T16S-R35E Lea County, NM

Ladies and Gentlemen:

David H. Arrington Oil & Gas, Inc. ("Arrington") hereby proposes the drilling of a well to a depth sufficient to adequately test the lower Mississippian formation, anticipated total depth being approximately 12,700'. Furthermore, Arrington shall evaluate to its satisfaction, all other formations encountered at lesser depths in the drilling of said well. The proposed spacing or proration unit will be SE/4 and Lots 9, 10, 15, and 16, Section 3-T16S-R35E Lea County, New Mexico.

This well will be located at a legal location in the N/2 SE/4 of Section 3, T16S, R35E, Lea County, New Mexico. Arrington's AFE for the drilling and completion of this well are 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.

Upon receipt of your executed AFE, or by prior written request, we will forward for your review and execution Arrington's Joint Operating Agreement covering this proposed well.

In the event you own a leasehold interest under these lands and should elect to not participate in the drilling of this test well, Arrington respectfully requests that you grant to Arrington a term assignment of oil and gas leases covering your leasehold interest in the captioned lands pursuant to the following terms and conditions:

- a) one (1) year primary term
- b) retain as an overriding royalty the amount by which 22.5% exceeds existing royalty burdens
- c) a term assignment form will be furnished upon your request

In the event you own a mineral interest under these lands and should elect to not participate in the drilling of this test well, Arrington respectfully requests that you grant to Arrington an oil and gas lease covering your mineral interest in the captioned lands pursuant to the following terms and conditions:

- a) three (3) year primary term
- b) 3/16ths royalty
- c) \$152.00 per acre bonus
- d) Lease form Hall Poorbaugh Press Producers Revised 1981 New Mexico Form 342P Paid up

Yours very truly

Dale Doug

/dd

Enclosures

DAVID H. ARRINGTON OIL AND GAS, INC. AUTHORITY FOR EXPENDITURE (AFE)

	AUTHORIT	FORENE	MONORE (AFE)		XOriginal
AFE#:	98-0904	Date:	Prepared 9-28-98		Supplemental
_ease:	Parachute Adams	Well #:	_1	Well Type:	Exploratory/Gas
ocation:	BHL 1450' FSL & 990' FEL Sec 3, T16S, R35E	County:	Lea	State:	New Mexico
Prospect:	North Airport	Objective:	Atoka/L. Miss	Proposed TD:	12,700'
Purpose o	f Expenditure: Drill and Complete Low	er Mississip	plan_Test		

ECODE 图 NEW NEW NEW NOTANGIB EE EXPENSE SERVER SER	A PORICEING MA	COMPLETIONS	IN A MOTOTAL SEE
Surveying	800		800
Staking & Pennitting	100		100
Location, Roads & Damages	16,000	2,000	18,000
Lease Restoration	4,500		4,500
Mobilization/Demobilization			
Drilling - Footage 12,700 @ \$17.50 /Ft	222,250		222,250
Drilling - Daywork 7 @ \$5,200 /Day	36,400		36,400
Drilling - Directional			
Completion Rig 8 @ \$1,500 /Day		16,000	16,000
Fuel, Power & Lubricants			
Bits, Reamers & Stabilizers			
Drilling & Completion Fluids	35,000	2,000	37,000
Water	15,000	2,000	17,000
Mud Logging 25 @ \$460 /Day	11,500		11,500
Drill Stem Tests (two (2) test)	12,000	1	12,000
Coring Services			
Logging - Oper Hole & Sidewall Cores	39,000		39,000
Cement & Services - Surface	5,000		5,000
Cement & Services - Intermediate	10,000		10,000
Cement & Services - Production		15,000	15,000
Perforating & Cased Hole Logs		8,000	8,000
Acidizing, Fracturing & Stimulation		50,000	50,000
Rental Equipment	15,000	3,500	18,500
Installation - Production Facilities	2,500	9,000	11,500
Inspection & Testing	5,000	1,000	6,000
Transportation	2,000	3,500	5,500
Miscellaneous Labor	4,400	3,000	7,400
Engineering & Geological Services	7,500	2,000	9,500
Overhead	16,000	2,500	18,500
Supervision	16,000	3,000	19,000
Directional Drilling Services	32,000		32,000
Contingencies	54,000	13,000	67,000
Gross Receipts Tax	32,000	7,900	39,900
TOTAL INTANGIBLE EXPENSE	593,950	143,400	737,350

FIGODE NEW TO THE TAXABLE PROPERTY OF THE PROP	建	計算。DRIEEING等為	器機COMPLETION	1	TOTAL
Casing - Conductor of @	/Ft	2,000			2,000
Casing - Surface 425 of 13 3/8" @ \$17.0	0 /Ft	7,200			7,200
	0 /Ft	12,600		Г	12,600
Casing - Intermediate 3,800 of 8 5/8" @ \$10.4	0 /Ft	39,500			39,500
	0 /Ft		54,000		54,000
	0 /Ft		43,160		43,160
	0 /Ft		44,450	Г	44,450
Float & Other Equipment		2,400	1,000	Г	3,400
Wellhead Equipment, Tree		4,600	10,400		15,000
Sucker Rods				\Box	0
Down Hole Pump				Г	0
Packer/TAC			4,300		4,300
Pumping Unit & Frime Mover					0
Tank Battery & Storage Facilities			19,000		19,000
Separator/Heater Treater/Dehydrator			8,500		8,500
Meters & Flowlines			1,000		1,000
Miscellaneous Valves & Fittings			19,000		19,000
Contingencles		6,500	10,000		16,500
TOTAL TANGIBLE EXPENSE		74,800	214,810		289,610
TOTAL WELL COST		668,750	358,210		1,026,960

NOTE: THIS AFE IS ONLY AN ESTIMATE. BY RETURNING ONE APPROVED COPY, YOU AGREE TO PAY YOUR SHARE OF THE ACTUAL COSTS INCURRED.

David H.	Arrington Oil & Gas, Inc. Approval:	Partner Approval		
Prepared				
Ву:	Steve Scott	Company:	 	
Approved By:	Spiller	Approved By:		
Title:		Title:	 	
Date:	9/2/98	Date:		

: = 7.1

DALE DOUGLAS Oil & Gas Profestics

Area Code: 915 Phone: 682-5565 Fax: 682-5565

September 28, 1998

CERTIFIED MAIL-RETURN RECEIPT REQUESTED P #555 884 360

Ameristate Oil & Gas, Inc. Attn. Mark Nearburg 1211 W. Texas Midland, TX 79701

Re:

Well Proposal Parachute Adams #1 SE/4 and Lots 9, 10, 15, and 16 Section 3-T16S-R35E Lea County, NM

Ladies and Gentlemen:

David H. Arrington Oil & Gas, Inc. ("Arrington") hereby proposes the drilling of a well to a depth sufficient to adequately test the lower Mississippian formation, anticipated total depth being approximately 12,700'. Furthermore, Arrington shall evaluate to its satisfaction, all other formations encountered at lesser depths in the drilling of said well. The proposed spacing or proration unit will be SE/4 and Lots 9, 10, 15, and 16, Section 3-T16S-R35E Lea County, New Mexico.

This well will be located at a legal location in the N/2 SE/4 of Section 3, T16S, R35E, Lea County, New Mexico. Arrington's AFE for the drilling and completion of this well are 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.

Upon receipt of your executed AFE, or by prior written request, we will forward for your review and execution Arrington's Joint Operating Agreement covering this proposed well.

In the event you own a leasehold interest under these lands and should elect to not participate in the drilling of this test well, Arrington respectfully requests that you grant to Arrington a term assignment of oil and gas leases covering your leasehold interest in the captioned lands pursuant to the following terms and conditions:

- a) one (1) year primary term
- b) retain as an overriding royalty the amount by which 22.5% exceeds existing royalty burdens
- c) a term assignment form will be furnished upon your request

In the event you own a mineral interest under these lands and should elect to not participate in the drilling of this test well, Arrington respectfully requests that you grant to Arrington an oil and gas lease covering your mineral interest in the captioned lands pursuant to the following terms and conditions:

- a) three (3) year primary term
- b) 3/16ths royalty
- c) \$152.00 per acre bonus
- d) Lease form Hall Poorbaugh Press Producers Revised 1981 New Mexico Form 342P Paid up

Yours very truly

/dd

Enclosures

AFE #:	98-0904	Y FOR EXPI		URE (AFE) pared 9-28-98		X Original Supplemental
					Mark Towns	
Lease:	Parachute Adams	Well#:			Well Type:	Exploratory/Gas
Location:	BHL 1450' FSL & 990' FEL Sec 3, T16S, R35E	County:	Lea		State:	New Mexico
Prospect:	North Airpor:	Objective:	Atol	a/L. Miss	Proposed TD:	12,700
Purpose o	of Expenditure: Drill and Complete Low	er Mississip	pian 1	Test		
·						
RECODER	NAME OF THE PROPERTY OF THE PR	orea year kill	* 1	DRIETING WALL	PICCOMPLETION	LINE PATOTAL SE
3,500,0,0,0	Surveying	A		800		800
	Staking & Pennitting Location, Roads & Damages			100	2,000	100
	Lease Restoration	·	++	4,500	2,000	4,500
	Mobilization/Demobilization					
	Drilling - Footage 12,700 @ \$17.50 /F		11	222,250		222,250
ļ	Drilling - Daywork 7 @ \$5,200 /D Drilling - Directional	ay		36,400	 	36,400
	Completion Rig 8 @ \$1,500 /D	lav			16,000	16,000
	Fuel, Power & Lubricants		<u> </u>		19129	1-
	Bits, Reamers & Stabilizers		T			
<u> </u>	Drilling & Completion Fluids Water		++	35,000 15,000	2,000	
}	Water Mud Logging 25 @ \$460 /D	ay	++	11,500	2,000	17,000
·	Drill Stem Tests (two (2) test)		士士	12,000	1	12,000
	Coring Services		\Box			
 	Logging - Open Hole & Sidewall Cores Cement & Services - Surface			39,000 5,000	+	39,000
}	Cement & Services - Surface Cement & Services - Intermediate		++	10,000	+	5,000
	Cement & Services - Production		++		15,000	
	Perforating & Cased Hole Logs		± 1		8,000	
	Acidizing, Fracturing & Stimulation		11		50,000	
}	Rental Equipment			15,000	3,500	
	Installation - Production Facilities Inspection & Testing		++	2,500 5,000	9,000	
 	Transportation			2,000	3,500	
	Miscellaneous Labor			4,400	3,000	
	Engineering & Geological Services			7,500	2,000	
<u> </u>	Overhead Supervision		++	16,000 16,000	2,500	
}	Directional Drilling Services		 -	32,000	3,000	19,000
	Contingencies		† †	54,000	13,000	
	Gross Receipts Tax			32,000	7,900	
	TOTAL INTANGIBLE EXPENSE			593,950	143,400	737,350
E CONTE	THE THE TAXABLE PROPERTY OF A CONTROL OF THE PARTY OF THE	en de la composition	CINCIE		Misio O LOVE TO US	
PECULE	Casing - Conductor of @			2,000	MACONKERNONS	2.000
 -	Casing - Surface 425 of 13 3/8" @	\$17.00 /F		7,200	 	7,200
	Casing - Intermediate 950 of 8 5/8" @	\$13.30 /F		12,600		12,600
		\$10.40 /F		39,500		39,500
	Casing - Production 7,500 of 5 1/2" @	#0.00 IE	., -		54,000	1
 -	Tubing 12,700 of 17/8" @				43,160 44,450	
	Float & Other Equipment		++	2,400	1,000	
	Wellhead Equipment, Tree			4,600	10,400	
<u> </u>	Sucker Rods		4-4-			0
 	Down Hole Pump Packer/TAC		++		4,300	4,300
	Pumping Unit & Frime Mover		++		4,300	4,300
	Tank Battery & Storage Facilities		11		19,000	
	Separator/Heater Treater/Dehydrator		\Box		8,500	8,500
 -	Meters & Flowlines Miscellaneous Valves & Fittings		┦-┼		1,000	
 -	Contingencies		╂╼╂╌	6,500	19,000	
	TOTAL TANGIBLE EXPENSE		+	74,800	214,810	
	TOTAL WELL COST		++	668,750	358,210	
	S AFE IS ONLY AN ESTIMATE, BY RETURNING ONE APPRO Arrington Oil & Gas, Inc. Approval:	Partner App		CEE TO PAY TOUR SP	TARE OF THE ACTUAL	COSTS INCURRED.
Prepared	Stove Coatt	Come				
By:	Steve Scott	Company:	_			
Approved	- iM	Approved			_	
Ву:	S/AII W	Ву:	_			·
Title:	9/2/98	Title:				
ille.		ilue.	_			
Date:	タイプン / 90	Date:				

: 2::

DALE DOUGLAS Oil & Gas Proporties

Area Code: 915 Phone: 682-5565 Fax: 682-5565

September 28, 1998

CERTIFIED MAIL-RETURN RECEIPT REQUESTED P 555 884 357

Mr. Robert C. Leibrock Amerind Oil Company, Ltd. 415 W. Wall, Suite 500 Midland, TX 79701

Re:

Well Proposal Parachute Adams #1 SE/4 and Lots 9, 10, 15, and 16

Section 3-T16S-R35E Lea County, NM

Dear Mr. Leibrock:

Pursuant to my phone conversation today with Ms. Mary Ann Brock in your office, David H. Arrington Oil & Gas, Inc. ("Arrington") hereby proposes the drilling of a well to a depth sufficient to adequately test the lower Mississippian formation, anticipated total depth being approximately 12,700'. Furthermore, Arrington shall evaluate to its satisfaction, all other formations encountered at lesser depths in the drilling of said well. The proposed spacing or proration unit will be SE/4 and Lots 9, 10, 15, and 16, Section 3-T16S-R35E Lea County, New Mexico.

This well will be located at a legal location in the N/2 SE/4 of Section 3, T16S, R35E, Lea County, New Mexico. Arrington's AFE for the drilling and completion of this well are 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.

Upon receipt of your executed AFE, or by prior written request, we will forward for your review and execution Arrington's Joint Operating Agreement covering this proposed well.

In the event you should elect to not participate in the drilling of this test well, Arrington respectfully requests that you grant to Arrington a term assignment of oil and gas leases covering your leasehold interest in the captioned lands pursuant to the following terms and conditions:

- a) one (1) year primary term
- b) retain as an overriding royalty the amount by which 22.5% exceeds existing royalty burdens
- c) a term assignment form will be furnished upon your request

Yours very truly,

Dale Douglas CPL

/dd Enclosures

AFE#:	98-0904	Date:		epared 9-28-98		X Original Supplemental
Lease:	Parachute Adams	Well #:	1		Well Type:	Exploratory/Gas
		i			State:	New Mexico
Location:	BHL 1450' FSL & 990' FEL Sec 3, T16S, R35E	County:	Le			
Prospect:	North Airport	Objective:	At	oka/L, Miss	Proposed TD:	12,700'
Purpose o	of Expenditure: Drill and Complete Low	er Mississip	pla	n Test		
CODE	A NOTICE OF THE PROPERTY OF TH	73E 41260 SAV	1		COMPLETION	
 	Surveying Staking & Permitting		╁	100		800
	Location, Roads & Damages		1	16,000 4,500	2,000	
	Lease Restoration Mobilization/Demobilization		+-	4,500		4,500
	Drilling - Footage 12,700 @ \$17.50 /F		\perp	222,250		222,250
	Drilling - Daywork 7 @ \$5,200 /D Drilling - Directional	ay	╁	36,400		36,400
<u> </u>	Completion Rig 8 @ \$1,500 /D	ay	\perp		16,000	16,000
	Fuel, Power & Lubricants		T			
 	Bits, Reamers & Stabilizers Drilling & Completion Fluids		-	35,000	2,000	27,000
	Water		+-	15,000	2,000	
	Mud Logging 25 @ \$460 /D	ay		11,500		11,500
<u> </u>	Drill Stem Tes's (two (2) test)		-	12,000		12,000
<u> </u>	Coring Services Logging - Open Hole & Sidewall Cores		╁	39.000	- 	39,000
	Cement & Services - Surface			5,000		5,000
	Cement & Services - Intermediate		1	10,000	46.000	10,000
	Cement & Services - Production Perforating & Cased Hole Logs		╁╴	 	15,000 8,000	
	Acidizing, Fracturing & Stimulation		1		50,000	
	Rental Equipment		4-	15,000	3,500	
	Installation - Production Facilities Inspection & Testing		+-	2,500 5,000	9,000	
	Transportation		1	2,000	3,500	
	Miscellaneous Labor		1_	4,400	3,000	
}	Engineering & Geological Services Overhead		╁-	7,500 16,000	2,000	
	Supervision			16,000	3,000	19,000
	Directional Drilling Services		 	32,000	40.000	32,000
 	Contingencies Gross Receipts Tax		╁╌	54,000 32,000	13,000 7,900	67,000 39,900
	TOTAL INTANGIBLE EXPENSE			593,950	143,400	737,350
(Etcoppe)		David State Control of the Control o	STARES			
RECORE	TANGIBLEEXPENSES OF Casing - Conductor of @			2,000	SECOMPLETIONS	2,000
 		\$17.00 /F		7,200	1	7,200
	Casing - Intermediate 950 of 8 5/8" @			12,600		12,600
<u> </u>	Casing - Intermediate 3,800 of 8 5/8" @ Casing - Production 7,500 of 5 1/2" @	\$10.40 /F		39,500	54,000	39,500 54,000
<u> </u>	Casing - Production 5,200 of 5 1/2" @		_		43,160	43,160
	Tubing 12,700 of 1 7/8" @	\$3.50 /F	t		44,450	44,450
	Float & Other Equipment Wellhead Equipment, Tree		 - -	2,400	1,000	
	Sucker Rods		\perp	1,000	10,400	15,000
<u> </u>	Down Hole Pump		1			0
 	Packer/TAC Pumping Unit & Prime Mover		+-	 - 	4,300	4,300
	Tank Battery & Storage Facilities				19,000	19,000
<u> </u>	Separator/Heater Treater/Dehydrator		↓		8,500	
 	Meters & Flowlines Miscellaneous Valves & Fittings		╁	 	1,000	1,000
	Contingencies			6,500	10,000	
	TOTAL TANGIBLE EXPENSE			74,800	214,810	289,610
	TOTAL WELL COST		<u> </u>	668,750	358,210	1,026,960
NOTE: THIS	AFE IS ONLY AN ESTIMATE. BY RETURNING ONE APPRO	OVED COPY, YO	A UC	GREE TO PAY YOUR S	HARE OF THE ACTUAL	COSTS INCURRED.
	Arrington Oil & Gas, Inc. Approval:	Partner App	rova	al:		
Prepared By:	Steve Scott	Company:				
Approved		Approved			•	
By:	S/RUV	By:				
Title:	9/2/98	Title:				
	9/2, 190					
Date:	<u> </u>	Date:				

DALE DOUGLAS Oil & Gas Profesties

Area Code: 915 Phone: 682-5565 Fax: 682-5565

September 28, 1998

CERTIFIED MAIL-RETURN RECEIPT REQUESTED P 55884 337

John F. Herbig, Jr. 110 N. Marienfeld, Suite 180 Midland, TX 79701

Re:

Well Proposal Parachute Adams #1 SE/4 and Lots 9, 10, 15, and 16 Section 3-T16S-R35E Lea County, NM

Ladies and Gentlemen:

David H. Arrington Oil & Gas, Inc. ("Arrington") hereby proposes the drilling of a well to a depth sufficient to adequately test the lower Mississippian formation, anticipated total depth being approximately 12,700'. Furthermore, Arrington shall evaluate to its satisfaction, all other formations encountered at lesser depths in the drilling of said well. The proposed spacing or proration unit will be SE/4 and Lots 9, 10, 15, and 16, Section 3-T16S-R35E Lea County, New Mexico.

This well will be located at a legal location in the N/2 SE/4 of Section 3, T16S, R35E, Lea County, New Mexico. Arrington's AFE for the drilling and completion of this well are 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.

Upon receipt of your executed AFE, or by prior written request, we will forward for your review and execution Arrington's Joint Operating Agreement covering this proposed well.

In the event you own a leasehold interest under these lands and should elect to not participate in the drilling of this test well, Arrington respectfully requests that you grant to Arrington a term assignment of oil and gas leases covering your leasehold interest in the captioned lands pursuant to the following terms and conditions:

- a) one (1) year primary term
- b) retain as an overriding royalty the amount by which 22.5% exceeds existing royalty burdens
- c) a term assignment form will be furnished upon your request

In the event you own a mineral interest under these lands and should elect to not participate in the drilling of this test well, Arrington respectfully requests that you grant to Arrington an oil and gas lease covering your mineral interest in the captioned lands pursuant to the following terms and conditions:

- a) three (3) year primary term
- b) 3/16ths royalty
- c) \$152.00 per acre bonus
- d) Lease form Hall Poorbaugh Press Producers Revised 1981 New Mexico Form 342P Paid up

•

Yours very trail

Dale Douglas, C

/dd

Enclosures

AUTHORITY FOR EXPENDITURE (AFE)

Adams FSL & 990' FEL Sec 3, T16S, R35E ort Drill and Complete Low Drill and Complete Low Example In TANGIBLE EXPENSE ermitting beds & Damages oration //Cemobilization otage 12,700 © \$17.50 /fc ywork 7 © \$5,200 /fc ectional Rig 8 © \$1,500 /fc & Lubricants ers & Stabilizers ompletion Fluids g 25 © \$460 /fc es:s (two (2) test)	County: Objective: ver Mississippi	B00 100 16,000 4,500 222,250 36,400	Well Type: State: Proposed TD: #COMPLETION 2,000 16,000	800 100
Drill and Complete Low Drill	Objective:	Atoka/L. Miss an Test BOO 100 16,000 4,500 222,250 36,400	Proposed TD:	12,700' 12,700' 800 100 18,000 4,500 222,250 36,400
Drill and Complete Low Drill	Objective:	Atoka/L. Miss an Test BOO 100 16,000 4,500 222,250 36,400	ECOMPLETIONS 2,000	800 1000 18,000 4,500 222,250 36,400
ermitting oads & Darmages oration //Cemobilization otage 12,700 @ \$17.50 /fr ectional Rig 8 @ \$1,500 /fr & Lubricants ers & Stabilizers ompletion Fluids g 25 @ \$460 /fr	rer Mississippi	an Test APPRILLING B00 100 16,000 4,500 222,250 36,400	ECOMPLETIONS 2,000	800 1000 18,000 4,500 222,250 36,400
ermitting orads & Damages oration //Cemobilization otage 12,700 @ \$17.50 // ywork 7 @ \$5,200 // ectional Rig 8 @ \$1,500 // & Lubricants ers & Stabilizers ompletion Fluids g 25 @ \$460 //	t Day	B00 100 16,000 4,500 222,250 36,400	2,000	800 100 18,000 4,500 222,250 36,400
/Cemobilization totage 12,700 @ \$17.50 /f ywork 7 @ \$5,200 /f ectional Rig 8 @ \$1,500 /f 8 Lubricants ars & Stabilizers ampletion Fluids g 25 @ \$460 /f	Day	222,250 36,400	16,000	222,250 36,400
ywork 7 @ \$5,200 /to	Day	36,400	16,000	36,400
ectional Rig 8 @ \$1,500 /f & Lubricants ers & Stabilizers ompletion Fluids g 25 @ \$460 /f			16,000	
Rig 8 @ \$1,500 // 8 Lubricants ers & Stabilizers empletion Fluids g 25 @ \$460 //	Day	25,000	16,000	16,000
ers & Stabilizers ompletion Fluids g 25 @ \$460 //		25,000		
ompletion Fluids g 25 @ \$460 //		25 000	3	
g 25 @ \$460 /C			+	
g 25 @ \$460 /(es:s (two (2) test)		35,000 15,000	2,000	37,000 17,000
esis (two (2) test)	Day	11,500	2,000	11,500
		12,000		12,000
ices pen Hole & Sidewall Cores		39.000	_	
pen Hole & Sidewall Cores Services - Surface		5,000		39,000 5,000
		10,000		10,000
				15,000
		15,000		
		2,500		11,500
k Testing		5,000		6,000
				5,500
				7,400 9,500
		16,000		18,500
			3,000	19,000
			13,000	32,000 67,000
				39,900
ANGIBLE EXPENSE		593,950	143,400	737,350
		DRILLING	E COMPLETION:	
				2,000 7,200
		12,600	 	12,600
		39,500		39,500
ermediate 3,800 of 8 5/8" @	\$10.40 /Ft	39,300		
ermediate 3,800 of 8 5/8" @ oduction 7,500 of 5 1/2" @	\$7.20 /Ft	35,500	54,000	54,000
ermediate 3,800 of 8 5/8" @ oduction 7,500 of 5 1/2" @ oduction 5,200 of 5 1/2" @	\$7.20 /Ft \$8.30 /Ft	33,300	43,160	54,000 43,160
ermediate 3,800 of 8 5/8" @ duction 7,500 of 5 1/2" @ duction 5,200 of 5 1/2" @ 12,700 of 1 7/8" @ er Equipment	\$7.20 /Ft \$8.30 /Ft	2,400		54,000
ermediate 3,800 of 8 5/8" @ duction 7,500 of 5 1/2" @ duction 5,200 of 5 1/2" @ 12,700 of 1 7/8" @ er Equipment quipment, Tree	\$7.20 /Ft \$8.30 /Ft		43,160 44,450	54,000 43,160 44,450 3,400 15,000
ermediate 3,800 of 8 5/8" @ aduction 7,500 of 5 1/2" @ aduction 5,200 of 5 1/2" @ atuction 5,200 of 1 7/8" @ ar Equipment, Tree s	\$7.20 /Ft \$8.30 /Ft	2,400	43,160 44,450 1,000	54,000 43,160 44,450 3,400 15,000
ermediate 3,800 of 8 5/8" @ duction 7,500 of 5 1/2" @ duction 5,200 of 5 1/2" @ 12,700 of 1 7/8" @ er Equipment quipment, Tree s	\$7.20 /Ft \$8.30 /Ft	2,400	43,160 44,450 1,000	54,000 43,160 44,450 3,400 15,000
ermediate 3,800 of 8 5/8" @ duction 7,500 of 5 1/2" @ duction 5,200 of 5 1/2" @ ar Equipment quipment, Tree s Pump: iit & Frime Mover	\$7.20 /Ft \$8.30 /Ft	2,400	43,160 44,450 1,000 10,400 4,300	54,000 43,160 44,450 3,400 15,000 0 0 4,300
ermediate 3,800 of 8 5/8" @ oduction 7,500 of 5 1/2" @ oduction 5,200 of 5 1/2" @ ar Equipment gulpment, Tree s Pump wit & Frime Mover y & Storage Facilities	\$7.20 /Ft \$8.30 /Ft	2,400	43,160 44,450 1,000 10,400 4,300	54,000 43,160 44,450 3,400 0 0 0 4,300 0 19,000
ermediate 3,800 of 8 5/8" @ duction 7,500 of 5 1/2" @ duction 5,200 of 5 1/2" @ 12,700 of 1 7/8" @ er Equipment quipment, Tree s Pump hit & Frime Mover y & Storage Facilities eater Treater/Dehydrator	\$7.20 /Ft \$8.30 /Ft	2,400	43,160 44,450 1,000 10,400 4,300	54,000 43,160 44,450 3,400 15,000 0 0 4,300
ermediate 3,800 of 8 5/8" @ duction 7,500 of 5 1/2" @ duction 5,200 of 5 1/2" @ 12,700 of 1 7/8" @ er Equipment quipment, Tree s Pump lit & Frime Mover y & Siorage Facilities eater Treater/Dehydrator pwlines us Valves & Fittings	\$7.20 /Ft \$8.30 /Ft	2,400 4,600	43,160 44,450 1,000 10,400 4,300 19,000 8,500 19,000	54,000 43,160 44,450 3,400 0 0 4,300 0 19,000 8,500 1,000 19,000
ermediate 3,800 of 8 5/8" @ duction 7,500 of 5 1/2" @ duction 5,200 of 5 1/2" @ 12,700 of 1 7/8" @ er Equipment quipment, Tree s Pump hit & Frime Mover y & Storage Facilities eater Treater/Dehydrator	\$7.20 /Ft \$8.30 /Ft	2,400	43,160 44,450 1,000 10,400 4,300 19,000 8,500	54,000 43,160 44,450 3,400 15,000 0 4,300 19,000 8,500
Fill Ettorg n (ci e T	Services - Intermediate Services - Production g & Cased Hole Logs Fracturing & Stimulation aipment 1 - Production Facilities & Testing attion ous Labor ng & Geological Services n Drilling Services cies eipts Tax TANGIBLE EXPENSE	Services - Intermediate Services - Production g & Cased Hole Logs Fracturing & Stimulation alignment 1 - Production Facilities & Testing attion ous Labor ng & Geological Services n Orilling Services cles eipts Tax TANGIBLE EXPENSE TANGIBLE EXPENSE Onductor of @ /Fit ordace 425 of 13 3/8* @ \$17.00 /Fit	Services - Intermediate 10,000	Services - Intermediate 10,000 Services - Production 15,000 3,000 50,000 Fracturing & Stimulation 50,000 sipment 15,000 3,500 1- Production Facilities 2,500 9,000 & Testing 5,000 1,000 ation 2,000 3,500 ous labor 4,400 3,000 og & Geological Services 7,500 2,000 n 16,000 2,500 n 16,000 3,000 cies 54,000 13,000 eipts Tax 32,000 7,900 TANGIBLE EXPENSE 593,950 143,400 TANGIBLE EXPENSE 593,950 143,400

DALE DOUGLAS Oil & Gas Properties

Area Code: 915 Phone: 682-5565 Fax: 682-5565

September 28, 1998

CERTIFIED MAIL-RETURN RECEIPT REQUESTED P555 884 338

Fuel Products, Inc. Attn. Tom M. Bell P.O. Box 3098 Midland, TX 79702

Re:

Well Proposal Parachute Adams #1 SE/4 and Lots 9, 10, 15, and 16 Section 3-T16S-R35E Lea County, NM

Ladies and Gentlemen:

David H. Arrington Oil & Gas, Inc. ("Arrington") hereby proposes the drilling of a well to a depth sufficient to adequately test the lower Mississippian formation, anticipated total depth being approximately 12,700'. Furthermore, Arrington shall evaluate to its satisfaction, all other formations encountered at lesser depths in the drilling of said well. The proposed spacing or proration unit will be SE/4 and Lots 9, 10, 15, and 16, Section 3-T16S-R35E Lea County, New Mexico.

This well will be located at a legal location in the N/2 SE/4 of Section 3, T16S, R35E, Lea County, New Mexico. Arrington's AFE for the drilling and completion of this well are 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.

Upon receipt of your executed AFE, or by prior written request, we will forward for your review and execution Arrington's Joint Operating Agreement covering this proposed well.

In the event you own a leasehold interest under these lands and should elect to not participate in the drilling of this test well, Arrington respectfully requests that you grant to Arrington a term assignment of oil and gas leases covering your leasehold interest in the captioned lands pursuant to the following terms and conditions:

- a) one (1) year primary term
- b) retain as an overriding royalty the amount by which 22.5% exceeds existing royalty burdens
- c) a term assignment form will be furnished upon your request

In the event you own a mineral interest under these lands and should elect to not participate in the drilling of this test well, Arrington respectfully requests that you grant to Arrington an oil and gas lease covering your mineral interest in the captioned lands pursuant to the following terms and conditions:

- a) three (3) year primary term
- b) 3/16ths royalty
- c) \$152.00 per acre bonus
- d) Lease form Hall Poorbaugh Press Producers Revised 1981 New Mexico Form 342P Paid up

Yours very aculy

Date Douglas, CP

/dd Enclosures

. ...

AUTHORITY FOR EXPENDITURE (AFE)

AFE #:	98-0904	Date:	Pr	epared 9-28-98		X Original Supplemental
Lease:	Parachute Adams	Well#:	_1		Well Type:	Exploratory/Gas
Location:	BHL 1450' FSL & 990' FEL Sec 3, T165, R35E	County:	Le	a	State:	New Mexico
Prospect:	North Airpo t	Objective:	At	oka/L. Miss	Proposed TD:	12,700'
Purpose o	f Expenditure: Drill and Complete Low	er Mississip	piar	1 Test		
新CODE	MANAGENERAL CONTINUES OF THE SECOND CONTINUES OF THE S	*******	18	保護DRIEEING 800	COMPLETION!	A LATOTAL LE
<u> </u>	Surveying Staking & Permitting		╁	100	 	100
	Location, Roads & Damages		I	16,000	2,000	
<u> </u> -	Lease Restoration Mobilization/Ciemobilization		╁	4,500		4,500
 	Dritting - Footage 12,700 @ \$17.50 /F		-	222,250		222,250
	Drilling - Daywork 7 @ \$5,200 /D			36,400	<u> </u>	36,400
	Drilling - Directional		\Box			
<u> </u>	Completion Rig 8 @ \$1,500 /D	ay	↓_	 	16,000	16,000
 	Bits, Reamers & Stabilizers		╁	 		+
	Drilling & Completion Fluids		T	35,000	2,000	37,000
	Water			15,000	2,000	
ļ	Mud Logging 25 @ \$460 /D Drill Stem Tests (two (2) test)	ay	╀-	11,500 12,000		11,500
	Coring Services		╁	12,000		12,000
 	Logging - Open Hole & Sidewall Cores		1	39,000	 	39,000
	Cement & Services - Surface			5,000		5,000
<u> </u>	Cement & Services - Intermediate		╄	10,000		10,000
	Cement & Services - Production Perforating & Cased Hole Logs		-	 	15,000 8,000	
	Acidizing, Fracturing & Stimulation		1	 	50,000	
	Rental Equipment			15,000	3,500	18,500
<u> </u>	Installation - Production Facilities		 	2,500	9,000	
<u> </u>	Inspection & Testing Transportation		+	5,000 2,000	1,000	
 	Miscellaneous Labor		+-	4,400	3,000	
	Engineering & Geological Services			7,500	2,000	
	Overhead		↓_	16,000	2,500	
	Supervision Directional Drill ng Services		╌	16,000 32,000	3,000	19,000
 	Contingencies		1-	54,000	13,000	
	Gross Receipts Tax			32,000	7,900	
	TOTAL INTANGIBLE EXPENSE		Ĺ	593,950	143,400	737,350
RECODE N	TANGIBLE EXPENSE OF	LONG OF STATE	1	WEDRILLING 中華	COMPLETION	JATOTAL TOTAL
	Casing - Conductor of @			2,000		2,000
	Casing - Surface 425 of 13 3/8" @ Casing - Intermediate 950 of 8 5/8" @			7,200 12,600	 	7,200
<u> </u>		\$10.40 /Ft		39,500		12,600
	Casing - Production 7,500 of 5 1/2" @				54,000	
	Casing - Production 5,200 of 5 1/2" @				43,160	43,160
<u> </u>	Tubing 12,700 of 1 7/8" @ Float & Other Equipment	\$3.50 /Ft	-	2,400	44,450 1,000	
	Wellhead Equipment, Tree		╁╌	4,600	10,400	
	Sucker Rods				121,22	0
	Down Hole Pump		L			0
	Packer/TAC Pumping Unit & Prime Mover		├	 	4,300	4,300
	Tank Battery & Storage Facilities		-	 	19,000	19,000
	Separator/Heater Treater/Dehydrator		\vdash		8,500	
	Meters & Flowlines		L		1,000	
 -	Miscellaneous Valves & Fittings Contingencies		\vdash	6,500	19,000	
	TOTAL TANGIBLE EXPENSE		┝	74,800	10,000 214,810	
	TOTAL WELL COST		┝	668,750	358,210	
	AFE IS ONLY AN ESTIMATE. BY RETURNING ONE APPRO	OVED COPY, YO				
Prepared By:	Steve Scott	Company:				
Approved	- 1112	Approved				
By:	STAIN	Ву:		· · · · · · · · · · · · · · · · · · ·		
Title:		Title:				

: 233

DALE DOUGLAS Oil & Gas Properties

Area Code: 915 Phone: 682-5565 Fax: 682-5565

September 28, 1998

CERTIFIED MAIL-RETURN RECEIPT REQUESTED P 555 884 353

Marilyn Cone Trustee for the D.C. Trust P.O. Box 64244 Lubbock, TX 79464

Re:

Well Proposal Parachute Adams #1 SE/4 and Lots 9, 10, 15, and 16 Section 3-T16S-R35E Lea County, NM

Ladies and Gentlemen:

David H. Arrington Oil & Gas, Inc. ("Arrington") hereby proposes the drilling of a well to a depth sufficient to adequately test the lower Mississippian formation, anticipated total depth being approximately 12,700'. Furthermore, Arrington shall evaluate to its satisfaction, all other formations encountered at lesser depths in the drilling of said well. The proposed spacing or proration unit will be SE/4 and Lots 9, 10, 15, and 16, Section 3-T16S-R35E Lea County, New Mexico.

This well will be located at a legal location in the N/2 SE/4 of Section 3, T16S, R35E, Lea County, New Mexico. Arrington's AFE for the drilling and completion of this well are 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.

Upon receipt of your executed AFE, or by prior written request, we will forward for your review and execution Arrington's Joint Operating Agreement covering this proposed well.

In the event you own a leasehold interest under these lands and should elect to not participate in the drilling of this test well, Arrington respectfully requests that you grant to Arrington a term assignment of oil and gas leases covering your leasehold interest in the captioned lands pursuant to the following terms and conditions:

- a) one (1) year primary term
- b) retain as an overriding royalty the amount by which 22.5% exceeds existing royalty burdens
- c) a term assignment form will be furnished upon your request

In the event you own a mineral interest under these lands and should elect to not participate in the drilling of this test well, Arrington respectfully requests that you grant to Arrington an oil and gas lease covering your mineral interest in the captioned lands pursuant to the following terms and conditions:

- a) three (3) year primary term
- b) 3/16ths royalty
- c) \$152.00 per acre bonus
- d) Lease form Hall Poorbaugh Press Producers Revised 1981 New Mexico Form 342P Paid up

.

Yours very truly,

Date Dougras, CPL

/dd Enclosures

AFE #:	98-0904	POR EXPE		Pared 9-28-98		X Original Supplemental
Lease:	Parachute Adams	Wel[#:	_1		Well Type:	Exploratory/Gas
Location:	BHL 1450' FSL & 990' FEL Sec 3, T16S, R35E	i County:	Le	a	State:	New Mexico
	North Airport	Objective:	Ato	oka/L. Miss	Proposed TD:	12,700'
Purpose o	of Expenditure: Drill and Complete Low	er Mississip	pian	rest		
eroones.	THE PROPERTY OF THE PROPERTY OF THE PARTY OF		2 James		eleccupier i ou	TEAST A TOTAL PROPERTY AND ADDRESS OF A PARTY
SECOPES	Surveying	Section 1	7 Peas	800	R REDWELL HOW	800
	Staking & Permitting			100		100
	Location, Roads & Damages Lease Restoration		-	16,000 4,500	2,000	18,000
	Mobilization/Demobilization		+-	4,300		4,500
	Drilling - Footage 12,700 @ \$17.50 /F		1	222,250	 	222,250
	Drilling - Daywork 7 @ \$5,200 /D	ay		36,400		36,400
	Drilling - Directional		4_			
	Completion Rig 8 @ \$1,500 /D	ay	1		16,000	16,000
	Bits, Reamers & Stabilizers		+-			
 	Drilling & Completion Fluids		1	35,000	2,000	37,000
	Water			15,000	2,000	17,000
	Mud Logging 25 @ \$460 /D	ay	1	11,500		11,500
<u> </u>	Orill Stem Tests (two (2) test)			12,000	 	12,000
 	Coring Services Logging - Open Hole & Sidewall Cores		+	39,000	 	39,000
	Cement & Services - Surface		+-	5,000	 	5,000
	Cement & Services - Intermediate			10,000		10,000
	Cement & Services - Production		41		15,000	1
	Perforating & Cased Hole Logs Acidizing, Fracturing & Stimulation		+		8,000 50,000	
 	Rental Equipment		╂~	15,000	3,500	
	Installation - Production Facilities		\top	2,500	9,000	
	Inspection & Testing		\Box	5,000	1,000	6,000
<u> </u>	Transportation		4	2,000	3,500	
 	Miscellaneous Labor Engineering & Geological Services		+-	4,400 7,500	3,000	
 	Overhead Overhead		+	16,000	2,000 2,500	
	Supervision			16,000	3,000	
	Directional Drilling Services			32,000		32,000
	Contingencies			54,000	13,000	
	Gross Receipts Tax		44	32,000	7,900	
	TOTAL INTANGIBLE EXPENSE		يــا	593,950	143,400	737,350
E CODE	JANGIBLE EXPENSE			ANDRING ING AND A	MECOMPIETIONS	EXILENTATION AT THE STATE OF TH
38.0.0.0.0.2	Casing - Conductor of @			2,000	S SOUTH LESSON	2,000
	Casing - Surface 425 of 13 3/8" @	\$17.00 /F		7,200		7,200
	Casing - Intermediate 950 of 8 5/8" @			12,600		12,600
		\$10.40 /F \$7.20 /F		39,500	54,000	39,500
 	Casing - Production 7,500 of 5 1/2" @ Casing - Production 5,200 of 5 1/2" @		$\overline{}$		43,160	
	Tubing 12,700 of 1 7/8" @				44,450	
	Float & Other Equipment		П	2,400	1,000	3,400
	Wellhead Equipment, Tree		+	4,600	10,400	
 -	Sucker Rods Down Hole Pump		╁┤		 	
	Packer/TAC		1-1		4,300	
	Pumping Unit & Prime Mover				7,500	7,300
	Tank Battery & Storage Facilities				19,000	
	Separator/Heater Treater/Dehydrator		+		8,500	
	Meters & Flowlines Miscellaneous Valves & Fittings		+		1,000	
	Contingencies		+	6,500	10,000	
	TOTAL TANGIBLE EXPENSE		1	74,800	214,810	
	TOTAL WELL COST		\forall	668,750	358,210	
NOTE: THIS	AFE IS ONLY AN ESTIMATE. BY RETURNING ONE APPRO	OVED COPY, Y	A UC	GREE TO PAY YOUR SH		
David H. A	urington Oil & Gas. Inc. Approval:	Partner App	rova	l:		
Prepared By:	Steve Scott	Company:				
Approved	11/2	Approved				
By:	STAIN	Ву:				
Title:		Title:				

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Case Nos. <u>12079 & 12080</u> Exhibit No. <u>4</u>

Submitted by: <u>David H. Arrington Oil & Gas, Inc.</u>

Hearing Date: November 5, 1998

BEFORE THE

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION OF DAVID H. ARRINGTON OIL & GAS, INC. FOR COMPULSORY POOLING, DIRECTIONAL DRILLING AND AN UNORTHODOX WELL LOCATION, LEA COUNTY, NEW MEXICO.

CASE NO. 12079

AFFIDAVIT

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

William F. Carr, attorney in fact and authorized representative of David H. Arrington Oil & Gas, Inc., the Applicant herein, being first duly sworn, upon oath, states that notice has been given to all interested persons entitled to receive notice of this application under Oil Conservation Division rules, and that notice has been given at the addresses shown on Exhibit "A" attached hereto.

William F. Carr

SUBSCRIBED AND SWORN to before me this 4th day of November, 1998.

Notary Public

My Commission Expires:

June 23, 2002

EXHIBIT A

Yates Petroleum Corporation 105 South 4th Street Artesia, NM 88210

Mr. Mark Shidler Mark L. Shidler, Inc. 1010 Lamar Street, Suite 500 Houston, TX 77002

Mobil Producing Texas & NM Inc. 12450 Greenspoint Drive Houston, TX 77060-1991

Five States 1995-B, Ltd. Five States 1995-D, Ltd 1220 One Energy Square 4925 Greenville Avenue Dallas, TX 75206-4020

James Raymond Cone and Jan Cone Bowerman 1903 31st Street Lubbock, TX 79411

Marjorie Cone Kastman, dealing in her sole and separate property Post Office Box 5930 1640 Broadway Lubbock, TX 79417

Marilyn Cone, Trustee for the D.C. Trust Post Office Box 64244 Lubbock, TX 79464 Clifford R. Cone, dealing in his sole and separate property
Post Office Box 1629
Lovington, NM 88260

A. L. Cone Partnership c/o Mr. Larry Petree Post Office Box 3457 Lubbock, TX 79452

Kenneth G. Cone, dealing in his sole and separate property Post Office Box 11310 Midland, TX 79702

Joan Garrison, dealing in her sole and separate property 5221 Ira Street Fort Worth, TX 76117

Tommy Gene Schnaubert, dealing in his sole and separate property 233 Lock Lamond Wichita Falls, TX 76302

Bobby Joe Schnaubert, dealing in his sole and separate property 1707 Fox Road Millsap, TX 76066

Mary A. Irwinsky, dealing in her sole and separate property 4404 Odessa Avenue Fort Worth, TX 76133

AFFIDAVIT Page 2

Ruth Marie Drake, dealing in her sole and separate property 2840 Las Vegas Trail, #206 Fort Worth, TX 76116

Roy G. Barton, Jr. aka George Barton, Trustee of the Roy G. Barton, Sr. and Opal Barton Revocable Trust UTA dated 1/28/82 Post Office Box 978 Hobbs, NM 88240

Ameristate Exploration, LLC 1211 W. Texas Midland, TX 79701

Fuel Products, Inc. Post Office Box 3098 Midland, TX 79702

John F. Herbig, Jr. 110 N. Marienfeld, Suite 180 Midland, TX 79701

Carl A. Schellinger and his wife Gloria Schellinger Post Office Box 447 Roswell, NM 88202

Katherine Cone Keck, aka Katherine Adeline Cone, dealing in her sole and separate property 1801 Avenue of the Stars, Suite 446 Los Angeles, CA 90067

Charles L. Cobb and his wife Margaret Cobb 4915-D 94th Street Lubbock, TX 79424

AFFIDAVIT Page 3

Constance Cobb Keen 4915-D 94th Street Lubbock, TX 79424

Mr. Ed Watts
Bristol Resources Corporation
Bristol Resources 1994 Acquisition
Limited Partnership
Bristol Resources Production
Company, L.L.C.
6655 S. Lewis
Tulsa, OK 74136

CAMPBELL, CARR, BERGE 8 SHERIDAN, P.A.

LAWYERS

MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C BERGE
MARK F. SHERIDAN
MICHAEL H. FELDEWERT
ANTHONY F. MEDEIROS
PAUL R. OWEN
KATHERINE M. MOSS

JACK M. CAMPBELL
OF COUNSEL

JEFFERSON PLACE

SUITE I - 110 NORTH GUADALUPE

POST OFFICE BOX 2208

SANTA FE, NEW MEXICO 87504-2208

TELEPHONE: (505) 988-4421 FACSIMILE: (505) 983-6043

E-MAIL: ccbspa@ix.netcom.com

CERTIFIED MAIL RETURN RECEIPT REQUESTED

TO AFFECTED INTEREST OWNERS:

Re: Application of David H. Arrington Oil & Gas, Inc. for Compulsory Pooling,

October 15, 1998

Directional Drilling and an Unorthodox Well Location, Lea County, New

Mexico

Gentlemen:

This letter is to advise you that David H. Arrington Oil & Gas, Inc. filed the enclosed application with the New Mexico Oil Conservation Division seeking the force pooling of all mineral interests from the surface to the base of the Lower Mississippian formation, Townsend-Morrow Gas Pool in Lots 9, 10, 15 and 16 and the SE/4 of Section 3, Township 16 South, Range 35 East, NMPM, Lea County, New Mexico. Arrington proposes to dedicate the referenced pooled unit to its proposed Parachute Adams Well No. 1 to be directionally drilled to an unorthodox bottomhole well location 1450 feet from the South line and 990 feet from the East line of said Section 3.

This application has been set for hearing before a Division Examiner on November 5, 1998. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases have been requested by the Division (Memorandum 2-90) to file a Prehearing Statement substantially in the form prescribed by the Division. Prehearing statements should be filed by 4:00 o'clock p.m. on the Friday before a scheduled hearing.

Very truly yours,

WILLIAM F. CARR

ATTORNEY FOR DAVID H. ARRINGTON OIL & GAS, INC.

Receipt for Certified Mail

Yates Petroleum Corporation 105 South 4th Street Artesia, NM 88210

	REGAS CT	File Co	
	Postage Control	\$.55
	Certified Fee		1.35
	Special Delivery Fee		7.
10	Restricted Deliver	9J.	
199	Return Receipt Showing to Whom & Date Delivered		1.10
Apri	Return Receipt Showing to Whom, Date, & Addressee's Address		
800,	TOTAL Postage & Fees	\$	3. 0 v
PS Form 3800 , April 1995	Postmark or Date		

the reverse side?	SENDER: Complete items 1 and/or 2 for additional services. Complete items 3, 4a, and 4b. Print your name and address on the reverse of this form so that we can return this card to you. Attach this form to the front of the mailpiece, or on the back if space does not permit. Write "Return Receipt Requested" on the mailpiece below the article number. The Return Receipt will show to whom the article was delivered and the date delivered.				ceipt Service.
completed on	3. Article Addressed to:	4a. Article N	cle Number Z 559 541 786		Rece
	Yates Petroleum Corporation	4b. Service Type ☐ Registered Certi			_ <u>E</u>
Ë	105 South 4th Street			Certified	Ret
SS	Artesia, NM 88210	☐ Express	Mail	☐ Insured	using
ES		Return Re	ceipt for Merchandise	☐ COD	CS
8		7. Date of D	elivery		Į
Ā			- Park		ુ 5
TURN	5. Received By: (Print ANN GRIGGS	8. Addresse and fee is	p's Address (Only s paid)	if requested	hank y
your RE	6. Signature (Addresses or Agent) Triggs	L Lui	ع مرع		£
8	PS Form 3811 , December 1994	2595-98-B-0229	Domestic Ret	urn Receipt	•

Z 559 541 787

US Postal Service

Receipt for Certified Mail Mr. Mark Shidler Mark L. Shidler, Inc. 1010 Lamar Street, Suite 500 Houston, TX 77002

	Postage	\$.	55			
April 1995	Certified Fee	1.	35			
	Special Delivery Fee					
	Restricted Delivery Fee					
	Return Receipt Showing GA Whom & Date Delivered A	CTRS.	. 10			
	Return Receipt Showing to Whom, Date, & Addressee's Address	12,7				
֓֞֞֝֟֝֟֝֟֝֟֝֟֟֝֟֓֟֟֝֟֟֓֟֟ ֓֓֓֓֓֓֞֓֓֓֓֞֞֓֓֓֓֞֓֞֞֓֓֞֓֞֓֞֓֞֓	TOTAL Flostage & Fees 1	\$1 933-3	~0			
FO FORM SOU	Postmark or Date					

you	SENDER: Complete items 1 and/or 2 for additional services. Complete items 3, 4a, and 4b. 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. Write "Return Receipt Recuested" on the mailpiece below the article. The Return Receipt will show to whom the article was delivered and delivered. 3. Article Addressed to: Mr. Mark Shidler Mark L. Shidler, Inc. 1010 Lamar Street, Suite 500 Houston, TX 77002	e does not le number. d the date 4a. Article N Z 4b. Service Registere Express	2 559 541 787 I ype ed Certified A Mail Insured Dept for Merchandise □ COD
	5. Received By (Print Name) 6. Signature: (Addresses or Agent) X PS Form 3811 , December 1994	8. Addressee's Address (Cnly if requested and fee is paid) 2595-98-B-0229 Domestic Return Reco	

US Postal Service

Receipt for Certified Mail

Mobil Producing Texas & NM Inc. 12450 Greenspoint Drive Houston, TX 77060-1991

	Postage	\$. 55
PS Form 3800 , April 1995	Certified Fee		.55
	Special Delivery Fee	Ĉ?	
	Restricted Dansey Ale A	E NA	
	Return Receipt Showing to Whom & Date Polivered	400	1/10
	Return Receipt Showing to Whom, Date, & Addressee's Address	lbu.	3
800	TOTAL POSSOES FOR	8	3.00
E	Postmark or Date	3	
SF			
ц.			i

the reverse side?	SENDER: Complete items 1 and/or 2 for additional services. Complete items 3, 4a, and 4b. 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. Write "Return Receipt Requested" on the mailpiece below the article The Return Receipt will show to whom the article was delivered and delivered.	e does not e number.	I also wish to receive the following services (for an extra fee): 1. Addressee's Address 2. Restricted Delivery Consult postmaster for fee.
SS completed on	3. Article Addressed to: Mobil Producing Texas & NM Inc. 12450 Greenspoint Drive Houston, TX 77060-1991	4b. pervice Registere Express	7,559,541,788
your RETURN ADDRE	5. Reoeived By (Print Name) 6. Signature: (Addyssee or Agent) X	8. Address and fee	e's Address (Only if requested paid)
<u>s</u>	PS Form 3811 , December 1994	2595-98-B-0229	Domestic Return Receipt

Z 559 541 789

US Postal Service
Receipt for Certified Mail
Five States 1995-B, Ltd. Five States 1995-D, Ltd 1220 One Energy Square 4925 Greenville Avenue Dallas, TX 75206-4020

_			
	Postage	\$.	55
	Certified Fee	L·	35
	Special Delivery TARGAS	CTRS	
	Restricted Delivery Fee	CAL,	\
PS Form 3800 , April 1995	Return Receipt Showing to Whom & Date Delivered	1903 _{t .}	10
Apri	Return Receipt Showing to Whom, Date, & Addressee's Address	134	
800,	TOTAL Postage	\$ 1/3.	ರಿರ
rm 3	Postmark or Date		
S Fo			
σ.			

SENDER: Complete items 1 and/or 2 for additional services. Complete items 3. 4a. and 4b. 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. Write "Return Receipt Requested" on the mailpiece below the articl The Return Receipt will show to whom the article was delivered and delivered.	e does not e number.	I also wish to receive the following services (for an extra fee): 1. Addressee's Address 2. Restricted Delivery Consult postmaster for fee.
3. Article Addressed to: Five States 1995-B, Ltd. Five States 1995-D, Ltd 1220 One Energy Square 4925 Greenville Avenue Dallas, TX 75206-4020	4b. Service Register Express	Type ed Certified Insured ceipt for Merchandise COD
5. Received By: (Print Name) 6. Signature: (Addressee or Agent) PS Form 3811, December 1994	8. Addresse and fee is 2595-98-B-0229	Domestic Return Receipt

US Postal Service

Receipt for Certified Mail

James Raymond Cone and Jan Cone Bowerman 190**1** 31st Street Lubbock, TX 79411

	Postage	\$		55
PS Form 3800 , April 1995	Certified Fee		1 -	35
	Special Delivery Fee	S C t>		
	Restricted Delivery Feet A	FEN	\$ \$ \	
	Return Receipt Showing to Whom & Date Delivered	E 40	ah-	10
	Return Receipt Showing to Whom, Date, & Addressee's Address	J 15	30	
800	TOTAL Postage Fees	\$	<i>³</i> 3∕	هــى
က	Postmark or Date	- 31		
or				
S				
٩				
- 1				

the reverse side?	SENDER: Complete items 1 and/or 2 for additional services. Complete items 3, 4a, and 4b. Print your name and address on the reverse of this form so that we can return this card to you. Attach this form to the front of the mailpiece, or on the back if space does not permit. Write "Return Receipt Requested" on the mailpiece below the article number. The Return Receipt will show to whom the article was delivered and the date delivered.		I also wish to receive the following services (for an extra fee): 1. Addressee's Address 2. Restricted Delivery Consult postmaster for fee.
I ADDRESS completed on	James Raymond Cone and Jan Cone Bowerman 1901 31st Street Lubbock, TX 79411	4a. Article Number Z 559 541 790 4b. Service Type ☐ Registered ☐ Certified ☐ Express Mail ☐ Insured ☐ Return Receipt for Merchandise ☐ COD 7. Date of Delivery	
Is your RETURN	5. Received By: (Print Name) 6. Signature: (Addressee, or Agent) X PS Form 3811 , December 1994	8. Addresse and fee is	e's Address (Only if requested s paid) Domestic Return Receipt

Z 559 541 791

US Postal Service
Receipt for Certified Mail
Marjorie Cone Kastman, dealing in

her sole and separate property Post Office Box 5930

1640 Broadway

Lubbock, TX 79417

	Postage	\$	۶۲.
1995	Certified Fee	CIRS	35
	Special Delivery Fee	- VI	
	Restricted Delivery Fee	1 5 1998	
	Return Receipt Showing to Whom & Date Delivered	16	arko
, April	Return Receipt Showing to Whom, Date, & Addressee's Address	317	7
800	TOTAL Postage & Fees	\$ 3.	0
PS Form 3800 , April 1995	Postmark or Date		

the reverse side?	SENDER: ■ Complete items 1 and/or 2 for additional services. ■ Complete items 3. 4a, and 4b. ■ 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. ■ Write "Return Receipt Requested" on the mailpiece below the article The Return Receipt will show to whom the article was delivered and delivered.	I also wish to receive the following services (for an extra fee): 1. Addressee's Address 2. Restricted Delivery Consult postmaster for fee.	ipt Service.	
ADDRESS completed on	Marjorie Cone Kastman, dealing in her sole and separate property Post Office Box 5930 1640 Broadway Lubbock, TX 79417	4b. Service Register Express	Z 559 541 791 Type ed Certified Insured COD	ou for using Return Receipt
Is your RETURN	5. Received By: (Print Name) 6. Signature: (Addressee or Agent) XX	8. Addresse and fee is	Address (Only if requested s paid) Domestic Return Receipt	Thank you

US Postal Service

Receipt for Certified Mail

Marilyn Cone, Trustee for the D.C. Trust Post Office Box 64244 Lubbock, TX 79464

	Postage	\$		55
	Certified Fee		1.	35
	Special Delivery Fee			
10	Restricted Delivery Fee TA	EEA	S	
PS Form 3800 , April 1995	Return Receipt Showing to Whom & Date Delivered		1.	110
April	Return Receipt Showing of Whom, Date, & Addlessee's Address	5 19	98	
800	TOTAL Postage & Fees	\$	o ₹3 /	00
ırm 3	Postmark or Date O.S	37	97	
S Fo				
!				

the reverse side?	SENDER: Complete items 1 and/or 2 for additional services. Complete items 3, 4a, and 4b. Print your name and adcress 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. Write "Return Receipt Requested" on the mailpiece below the article. The Return Receipt will snow to whom the article was delivered and delivered.	does not e number. I the date	I also wish to receive the following services (for an extra fee): 1. Addressee's Address 2. Restricted Delivery Consult postmaster for fee.	 eipt Service.
ADDRESS completed on	3. Article Addressed to: Marilyn Cone, Trustee for the D.C. Trust Post Office Box 64244 Lubbock, TX 79464	4a. Article Number Z 559 541 792 4b. Service Type Registered Express Mail Return Receipt for Marchandise 7. Date of De New York		
Is your RETURN	5. Received By: (Print Name) 1 AMW A Lin Ale 6. Stepature: (Adaressee or Agent) X AMALA LILLAGE PS Forth 3811, December 1994	8. Add \$6.00 and		Than

Z 559 541 793

US Postal Service

Receipt for Certified Mail

Clifford R. Cone, dealing in his sole and separate property
Post Office Box 1629
Lovington, NM 88260

	Postage	\$. 55
	Certified Fee		1.35
	Special Deliver RAGAS C	TRE	
, April 1995	Restricted Delicato Fee	VI, F	
	Return/Receipt Showing to Whom & Date Lelivered 5	1933	1.10
	Return Receipt Showing to Whorn, Date, & Addressee's Address		
PS Form 3800 ,	TOTAL Posterio	\$	3.00
LL C	Postmark or Date		
S			
-			

n the reverse side?	■ Complete items 1 and/or 2 for additional services. ■ Complete items 3. 4a, and 4b. ■ Print your name and address on the reverse of this form so that we can return this card to you. ■ Attach this form to the front of the mailpiece, or on the back if space does not permit. ■ Write "Return Receipt Requested" on the mailpiece below the article number. ■ The Return Receipt will show to whom the article was delivered and the date delivered.		I also wish to receive the following services (for an extra fee): 1. Addressee's Address 2. Restricted Delivery Consult postmaster for fee.
is your <u>RETURN ADDRESS</u> completed on	Clifford R. Cone, dealing in his sole and separate property Post Office Box 1629 Lovington, NM 88260 5. Received By: (Print Name) 6. Signature: (Addressee or Agent) X PS Form 381, December 1994	7. Date of Dat	Type ed Mail Insured Certified Mail Copy COD No not not not not not not not not not no
_	102 rollii 30 i y, y ecember 1994	2595-98-B-0229	Domestic Return Receipt

US Postal Service Receipt for Certified Mail

A. L. Cone Partnership c/o Mr. Larry Petree Post Office Box 3457 Lubbock, TX 79452

		152 1	7		
	Postage	S E	1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1	55	
	Certified Fee		ممما	3\$	
	Special Delivery Fee	1 3	1220		
	Restricted Delivery Fee		/200	*/	
1995	Return Receipt Showing to Whom & Date Delivered	S -	3/	10	
PS Form 3800 , April 1995	Return Receipt Showing to Whom, Date, & Addressee's Address				
300,	TOTAL Postage & Fees	\$	3.	٥٥	
33	Postmark or Date				
Forr					
PS					

the reverse side?	SENDER: Complete items 1 and/or 2 for additional services. Complete items 3. 4a, and 4b. 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 Write "Return Receipt Requested" on the mailpiece below the article and delivered.	does not e number.	I also wish to receive the following services (for an extra fee): 1. Addressee's Address 2. Restricted Delivery Consult postmaster for fee.	ceipt Service.
uo p∈	3. Article Addressed to:	4a. Article N	Z 559 541 794	Rece
ADDRESS completed	A. L. Cone Partnership c/o Mr. Larry Petree Post Office Box 3457 Lubbock, TX 79452	7. Date of D	ed Certified Mail Insured ceipt for Merchandise COD	ou for using Return
RETURN	5. Received By: (Print Name) Setty Petvee 6. Signature: (Addressee or Agent) 1	8. Addresse and fee is	e's Address (Only if requested s paid)	Thank you
ls your	x Retty Fetter	2595-98-B-0229	Domestic Return Receipt	-

Z 559 541 795

US Postal Service

Receipt for Certified Mail

Kenneth G. Cone, dealing in his sole and separate property Post Office Box 11310 Midland, TX 79702

	Postage	\$. 55
	Certified Fee		1.35
	Special Delivery Fee	CTB	
	Restricted De May 101 TA	EN	\$ \$ \
Form 3800 , April 1995	Return Receipt Showing to Whom & Date Delivered	5 10	201-10
April	Return Receipt Showing to Whom, Date, & Addressee's Address	3 13	30
300,	TOTAL Postage Fees	\$ 1	3.00
ઌૣ	Postmark or Date	-31	
S Form			

the reverse side?	SENDER: Complete items 1 and/or 2 for additional services. Complete items 3, 4a, and 4b. 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. Write "Return Receipt Requested" on the mailpièce below the article. The Return Receipt will show to whom the article was delivered.	ce does not	I also wish to receive the following services (for an extra fee): 1. Addressee's Address 2. Restricted Delivery Consult postmaster for fee.
our RETURN ADDRESS completed on	Kenneth G. Cone, dealing in his sole and separate property Post Office Box 11310 Midland, TX 79702 5. Received By: (Print Name) 6. Signature: (Addressee or Agent)	7. Date of D	Iumber Z 559 541 795 Type ed Mail Ceipt for Merchandse COD elivery e's Address Aut required
ls y	PS Form 3811 , December 1994)2595-98-B-0229	Domestic Return Receipt

US Postal Service Receipt for Certified Mail

Joan Garrison, dealing in her sole and separate property 5221 Ira Street Fort Worth, TX 76117

	Postage	\$.55
	Certified Fee	- 1	. 35
	Special Delivery Fee		
10	Restricted Delivery Feet V	RGAS NTA F	OT PO
199	Return Receipt Showing to Whom & Date Delivered		143
PS Form 3800 , April 1995	Return Receipt Showing to Com Date, & Addressee's Address	15	1938
800	TOTAL Postage & Fees	\$	3.00
Ē	Postmark or Date	3 - 87	595
S Fo			

the reverse side?	SENDER: Complete items 1 and/or 2 for additional services. Complete items 3, 4a, and 4b. 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. Write "Return Receipt Requested" on the mailpiece below the article. The Return Receipt will show to whom the article was delivered and delivered.	does not e number.	l also wish to receive the following services (for an extra fee): 1. Addressee's Address 2. Restricted Delivery Consult postmaster for fee.
A ADDRESS completed on	Joan Garrison, dealing in her sole and separate property 5221 Ira Street Fort Worth, TX 76117	4a. Article N 4b. Service Register Expess Return Fe 7. Date of D	Z 559 541 796 Type Certified By Insured COD
Is your RETURN	5. Received By: (Print Name) 100 n (arr/501) 6. Signature: (Add/essee or Agent) X RS Form 3811, December 1994	8. Addres and fee is	Domestic Return Receipt

Z 559 541 797

US Postal Service Receipt for Certified Mail

Tommy Gene Schnaubert, dealing in his sole and separate property 233 Lock Lamond Wichita Falls, TX 76302

	Postage	\$	- 55
	Certified Fee	€ ĈĨR.	35
	Special Delivery Fee		
10	Restricted Deliver	. "5."	338 \
199	Return Receipt Showing to Whom & Date Delivered	1 ,	1,00
April	Return Receipt Showing to Whom, Date, & Addressee's Address		16)
800	TOTAL Postage & Fees	SPS)	3.00
PS Form 3800 , April 1995	Postmark or Date		

te items 1 and/or 2 for additional services. te items 3, 4a, and 4b. ur name and address on the reverse of this form so that you. his form to the front of the mailpiece, or on the back if sp. Return Receipt Requested" on the mailpiece below the arturn Receipt will show to whom the article was delivered.	ace does not ticle number. and the date	I also wish to receive the following services (for an extra fee): 1. Addressee's Address 2. Restricted Delivery Consult postmaster for fee.	Receipt Service.
my Gene Schnaubert, dealing s sole and separate property Lock Lamond ita Falls, TX 76302	4b. Service Register Express Return Return Return Control 7. Date of D	Type ed Certified Mail Insured ceipt for Merchandise COD	Thank you for using Return Recei
ved By: (Print Name) Wife: (Addressee or Angel)	8. Addressee's Address (Only if requested and fee is paid)		
3811 , December 1994	02595-98-B-0229	Domestic Return Receipt	

US Postal Service

Receipt for Certified Mail

Bobby Joe Schnaubert, dealing in his sole and separate property 1707 Fox Road Millsap, TX 76066

	Postage	\$.55
	Certified Fee		1.35
	Special Delivery Fee	3AS C	Ī
ın	Restricted Delivery Rose	ATE	14.7
April 1995	Return Receipt Showing to Whom & Date Delivered	15	ו פרויי
, Apri	Return Receipt Showing to Whom, Date, & Addressed's Address		1020
200	TOTAL Postage	\$	300
E	Postmark or Date	- 0	
PS Form 380			
J			

se side	SENDER: ■ Complete items 1 and/or 2 for additional services. ■ Complete items 3. 4a. and 4b. ■ 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	1	falso wish to receive the following services (for an extra fee): 1. Addressee's Address 2. Restricted Delivery
the reve	 permit. Write "Return Receipt Requested" on the mailpiece below the article. The Return Receipt will show to whom the article was delivered and delivered. 	number. the date	Consult postmaster for fee.
eted on	3. Article Addressed to:	4a. Article N	Z 559 541 798 — & — E
completed	Bobby Joe Schnaubert, dealing in	4b. Service □ Register	
Ξ.	his sole and separate property	☐ Express	Mail Insured
ESS	1707 Fox Road		ceipt for Machanase Sign Coo
DDR	Millsap, TX 76066	7. Date of D	Delivery 886
AC		100	3 7 2 06 3
ETURN	5 Aeceived By: (Print Name)	8. Addresse	pe's Ad (On) (requise) s paid)
our B	6. Signature: (Addressee or Agent) X Porty Toe Scholaus ERT		
ls yo		2595-98-B-0229	Domestic Return Receipt

Z 559 541 799

US Postal Service

Receipt for Certified Mail

Mary A. Irwinsky, dealing in her sole and separate property 4404 Odessa Avenue Fort Worth, TX 76133

CGAS CIT	<u> </u>
Postage CANTA FE	.55
Certified Fee	nno 1.35
Special Delivery Fee	930
Restricted Colivery Fee	(3)
Return Receipt Showing to Whom & Date Delivered	1.10
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$ 3.00
Postmark or Date	
ſ	

Mary A. Irwinsky, dealing in her sole and separate property 4404 Odessa Avenue Fort Worth, TX 76133 5. Beceived By: (Print Name) Mary A. Irwinsky, dealing in her sole and separate property 4404 Odessa Avenue Fort Worth, TX 76133 6. Signature: (Addressee or Agent) X MARY [F.w. n5KY] 4a. Article Number Z 559 541 799 4b. Service Type Registered Express Mail insured Return Receipt for Merchandise COD 7. Date of Delivery 8. Addressee's Address (Only if requested and fee is paid)	SENDER: Complete items 1 and/or 2 for additional services. Complete items 3, 4a, and 4b. Print your name and address on the reverse of this card to you. Attach this form to the front of the mailpiece, or on permit. Write "Return Receipt Requested" on the mailpiece of the Return Receipt will show to whom the article of delivered.	1. \(\sum \) Addressee's Address with article number. 2. \(\sum \) Restricted Delivery
	Mary A. Irwinsky, dealing in her sole and separate propert 4404 Odessa Avenue Fort Worth, TX 76133 5. Beceived By: (Print Name) May Yuman	Z 559 541 799 4b. Service Type Registered Express Mail Return Receipt for Merchandise COD 7. Date of Delivery 8. Addressee's Address (Only if requested and fee is paid)

US Postal Service Receipt for Certified Mail

Ruth Marie Drake, dealing in
her sole and separate property
2840 Las Vegas Trail, #206
Fort Worth, TX 76116

	Postage	\$ _	55
	Certified Fee QGAS CT	RSZ	35
	Special Delivery	Wy.	\
10	Restricted Delivery Fee	1938	
199	Return Receipt Shewing to Whom & Date Delivered	1.4	10
April	Return Receipt Showing to Whom, Date, & Addresses 5444	8137	
800	TOTAL Postage & Fees	\$ 3	ی ہی
PS Form 3800 , April 1995	Postmark or Date		

SENDER: Complete items 1 and/or 2 for additional services. Complete items 3, 4a, and 4b. Print your name and address on the reverse of this form so that we can return this card to you. Attach this form to the front of the mailpiece, or on the back if space does not permit. Write "Return Receipt Requested" on the mailpiece below the article number. The Return Receipt will show to whom the article was delivered and the date delivered.		I also wish to receive the following services (for an extra fee): 1. Addressee's Address 2. Restricted Delivery Consult postmaster for fee.	eceipt Service.
3. Article Addressed to: Ruth Marie Drake, dealing in her sole and separate property 2840 Las Vegas Trail, #206 Fort Worth, TX 76116	4b. Service Register Express Return Re 7. Date of D	Z 559 541 800 rype red Certified Mail Insured eccipt for Merchandise COD Delivery	for using Return R
5 Received By: (Print Name) 6. Signature: (Addressee or Agent) 7 PS Form 3811, December 1994	8. Addressee's Address (Only if requand fee is paid) 102595-98-B-0229 Domestic Return F		Thank you

Z 559 541 801

US Postal Service
Receipt for Certified Mail
Roy G. Barton, Jr. aka George

Barton, Trustee of the Roy G. Barton, Sr. and Opal Barton Revocable Trust UTA dated 1/28/82 Post Office Box 978 Hobbs, NM 88240

	,			
	Postage	\$. S	5
	Certified Fee		L· 3	35
İ	Special Delivery Fee	/5		
	Restricted Delivery New TA	FEN		
1995	Return Receipt Showing to Whom & Date Delivered	-	(،)	0
April	Return Receipt Showing to Whorn, Date, & Addressee's Address	5 19	38	
PS Form 3800, April 1995	TOTAL Postage à Feos	\$	3,/	ی د
8	Postmark or Date OPS	- 31	7	
S Fo				
Δ.				

the reverse side?	SENDER: ■ Complete items 1 and/or 2 for additional services. ■ Complete items 3, 4a, and 4b. ■ 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. ■ Write "Return Receipt Requested" on the mailpiece below the article. The Return Receipt will show to whom the article was delivered and delivered.	does not e number. I the date	I also wish to receive the following services (for an extra fee): 1. Addressee's Address 2. Restricted Delivery Consult postmaster for fee.	ipt Service.
ADDRESS completed on	3. Article Addressed to: Roy G. Barton, Jr. aka George Barton, Trustee of the Roy G. Barton, Sr. and Opal Barton	4a. Article Number Z 559 541 801 4b. Service Type ☐ Registered Cert		Return Receipt
	Revocable Trust UTA dated 1/28/82 Post Office Box 978 Hobbs, NM 88240	7. Date of D	ceipt for Merchandise	ou for using
your RETURN	5. Received By: (Print Name) 6. Signature: (Addressee or Agent) Level 1 Level 2 Level 2 Level 2 Level 3 Level 4 	e's Address (Only if requested	Thank you	
S	PS Form 3811 , December 1994	2595-98-B-0229	Domestic Return Receipt	

US Postal Service

Receipt for Certified Mail

Ameristate Exploration, LLC 1211 W. Texas Midland, TX 79701

	Postage AGAS	SR. 55
	Certified Fee	E Null. \$5
	Special Delivery Fee	5 1938
D.	Restricted Delivery Fee	
April 1995	Return Receipt Shewing to Whom & Date Delva Co.	0159 10
	Return Receipt Showing to Whom. Date, & Addressee's Address	- 0.
PS Form 3800 ,	TOTAL Postage & Fees	\$ 3.00
<u>۾</u>	Postmark or Date	
5		
5		

ille leverse side:	SENDER: ■ Complete items 1 and/or 2 for additional services. ■ Complete items 3, 4a, and 4b. ■ 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 ■ Write "Return Receipt Requested" on the mailpiece below the article ■ The Return Receipt will show to whom the article was delivered and delivered.	I also wish to receive the following services (for an extra fee): 1. Addressee's Address 2. Restricted Delivery Consult postmaster for fee.	
מ מ	3. Article Addressed to:	4a. Article N	Z 559 541 802
2	Ameristate Exploration, LLC	4b. Service	Туре
5	1211 W. Texas	☐ Register	ed Certified
2	Midland, TX 79701	☐ Express Mail ☐ Insure	
	Midian, 1A 19701	☐ Return Re	ceipt for Merchandise 🔲 COD
AUU		7. Date 610	elivery F
200	5. Received By: (Print Name)	8. Addresse and fee is	e's Address (Only if requested s paid)
	6. Signature: (Addressée or Agent)]	F
you	x/landones		
2	PS Form 3811 , Dacember 1994	2595-98-B-0229	Domestic Return Receipt
	•		

Z 559 541 803

US Postal Service Receipt for Certified Mail

Fuel Products, Inc. Post Office Box 3098 Midland, TX 79702

	Postage	\$. 55
	Certified Fee AGAS CTA	S	1.35
	Special Fee	4	
5	Restricted Delivery Ree5	398	* ***
April 1995	Return Receipt Showing to Whom & Date Delivered	/ \$	1.10
, Apr	Return Receipt Showing to Whom, Date, & Address Address	199	
1800	TOTAL Postage & Fees	\$	3.00
PS Form 3800 ,	Postmark or Date		

the reverse side?	SENDER: Complete items 1 and/or 2 for additional services. Complete items 3, 4a, and 4b. 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. Write "Return Receipt Requested" on the mailpiece below the article The Return Receipt will show to whom the article was delivered.	ce does not cle number.	I also wish to receive the following services (for an extra fee): 1. Addressee's Address 2. Restricted Delivery Consult postmaster for fee.
your RETURN ADDRESS completed on th	3. Article Addressed to:	4b. Service Register Express	Z 559 541 803 Type red Mail Certified Insured ceipt for Merchandise
	* * Much elle/2	8. Addresse and fee is	pee's Address (Only if requested s paid)

US Postal Service Receipt for Certified Mail

John F. Herbig, Jr. 110 N. Marienfeld, Suite 180 Midland, TX 79701

-	Postage	\$	55
		SCTAL	35
	Special Deliver Rea AN	NAT	
	Restricted Delivery Fee	5 1998	
April 1995	Return Receipt Showing to Whom & Date Delivered	0 .000	10
April	Return Receipt Showing to Whom Date, & Addressee Address	2159	
2	TOTAL Postage & Fees	\$ 3	.00
3800	Postmark or Date		
Ü	5		
Ċ	2		1

n the reverse side?	SENDER: Complete items 1 and/or 2 for additional services. Complete items 3, 4a, and 4b. 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. Write "Return Receipt Requested" on the mailpiece below the articl The Return Receipt will show to whom the article was delivered and delivered.	e does not	I also wish to receive the following services (for an extra fee): 1. Addressee's Address 2. Restricted Delivery Consult postmaster for fee.	pt Service.
no.	John F. Herbig, Jr. 110 N. Marienfeld, Suite 180 Midland, TX 79701	4b. Service Registere Express Return Rec 7. Date of D	Z 559 541 804 Type ed Certified Mail □ Insured ceipt for Merchandise □ COD	ou for using Return Receipt
	5. Received By: (Print Name) OHN F. HERTO 6. Signature: (Addressee or Agent) X PS Form 3811, December 1991 102	and fee is	e's Address (Only if requested paid) Domestic Return Receipt	Thank yo

Z 559 541 805

US Postal Service Receipt for Certified Mail

Carl A. Schellinger and his wife Gloria Schellinger Post Office Box 447 Roswell, NM 88202

Ţ	Postage	\$.55
	Certified Fee ARGAS C7	1.35
	Special Delicator Fee	W.
	Restricted A (IV) Try Fee 5	1838
April 1995	Return Receipt Showing to Whorn & Date Delivered	1.10
April	Return Reselve Strowing to Whom Date, & Addresses A Stress	95
		\$ 3.00
orm 3800,	Postmark or Date	
orn		

the reverse side?			I also wish to receive the following services (for an extra fee): 1. □ Addressee's Address 2. □ Restricted Delivery Consult postmaster for fee.
completed on	3. Article Addressed to: Carl A. Schellinger and his wife	4a. Article Number Z 559 541 805 4b. Service Type □ Registered	
	Gloria Schellinger Post Office Box 447	Express	
your RETURN ADDRESS	Roswell, NM)88202	7. Date d D	111 / 6 / 6 / = = =
	5. Received By: (Print Name) 6. Signature: (Addresse)	8. Addresse	PS Address (Only if requested s paid)
S	PS Form 3811. December 1994	2595-98-B-0229	Domestic Return Receipt

Z 559 541 8C6

US Postal Service
Receipt for Certified Mail
Katherine Cone Keck, aka Katherine Adeline Cone, dealing in her sole and separate property 1801 Avenue of the Stars, Suite 446 Los Angeles, CA 90067

-	Postage	\$.	55
	Certified Fee VARGAS	CIRS	35
	Special Delivery	W. Y	
2	Restricted Delignor Te	1998	
PS Form 3800 , April 1995	Return Receipt Showing to Whom & Date Delivered	/ 2/	10
, Apri	Return Receipt Shorting is Whom, Date, & Addressee's Address	875	
800	TOTAL Postage & Fees	\$ 3.	00
m 3	Postmark or Date		
S Fc	·		
}	· • • • • • • • • • • • • • • • • • • •		

the reverse side?	SENDER: Complete items 1 and/or 2 for additional services. Complete items 3, 4a, and 4b. 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. Write "Return Receipt Requested" on the mailpiece below the article. The Return Receipt will show to whom the article was delivered and	does not	I also wish to receive the following services (for an extra fee): 1. Addressee's Address 2. Restricted Delivery
Is your RETURN ADDRESS completed on the	3. Article Addressed to: Katherine Cone Keck, aka Katherine Adeline Cone, dealing in her sole and separate property 1801 Avenue of the Stars, Suite 446 Los Angeles, CA 90067 5. Received By: (Print Name) 6. Signature: (Addressee or Agent)	4a. Article N 4b. Service Register Express Return Re 7. Date of D	Z 559 541 806 Type ed Certified Mail Insured ceipt for Merchandise COD elivery e's Address (Only if requested

Z 559 541 807

US Postal Service Receipt for Certified Mail

Charles L. Cobb and his wife Margaret Cobb 4915-D 94th Street Lubbock, TX 79424

	Postage	\$.55
	Certified Fee	1.35
	Special Delivery Eee TA	FENS
ıO	Restricted Delivery Fee	
April 1995	Return Receipt Showing to Whom & Date Delivered	5 1998 . ,
April	Return Receipt Showing to Whom, Date, & Address Address	\alpha\
3	TOTAL Postage & Fees -	\$133.00
Ē	Postmark or Date	
2 Form 3800		
_		

SENDER: Complete items 1 and/or 2 for additional services Complete items 3, 4a, and 4b. 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. Write "Return Receipt Requested" on the mailpiece below the artic. The Return Receipt will show to whom the article was delivered and delivered.	e does not le number.	I also wish to refollowing service extra fee): 1. Address 2. Restricte Consult postma	es (for an see's Address ed Delivery
3. Article Addressed to: Charles L. Cobb and his wife Margaret Cobb 4915-D 94th Street Lubbock, TX 79424 5. Received By: (Print Name) 6. Signature: (Addressee or Agent) K. Fly. Chim les L. Lobb	4b. Service Register Express Return Re 7. Date of D	Z 559 541 80 Type red Mail receipt for Merchandise Delivery re's Address (Only)	Certified Insured COD
	1 02595-98-B-0229	Domestic Re	turn Receipt

Z 559 541 8D8

US Postal Service

Receipt for Certified Mail

Constance Cobb Keen 4915-D 94th Street Lubbock, TX 79424

İ	Postage	\$.	22
	Certified Fee		35
	Special Delivery FARGA	FE AS	
2	Restricted Delivery Pee	THE STATE OF THE S	
199	Return Receipt Specime to 1 Whom & Date Delivered	5 1998	10
PS Form 3800 , April 1995	Return Receip Showing to Whom, Date, & Addressee's Address	/ ak/	
800	TOTAL Postage	\$3153	0
m 3	Postmark or Date		
S.F.			
			į

the reverse side?	■ Complete items 1 and/or 2 for additional services. ■ Complete items 3, 4a, and 4b. ■ Print your name and address on the reverse of this form so that we can return this card to you. ■ Attach this form to the front of the mailpiece, or on the back if space does not permit. ■ Write "Return Receipt Requested" on the mailpiece below the article number. ■ The Return Receipt will show to whom the article was delivered and the date delivered.		I also wish to receive the following services (for an extra fee): 1. Addressee's Address 2. Restricted Delivery Consult postmaster for fee.	
ADDRESS completed on	3. Article Addressed to: Constance Cobb Keen 4915-D 94th Street Lubbock, TX 79424	4a. Article Number Z 559 541 808 4b. Service Type Registered Express Mail Return Receipt for Merchandise 7. Date of Delivery		Certified Insured COD
Is your RETURN	5. Received By: (Print Name) 6. Signature: (Addressee or Agent) X Av) PS Form 3811, December 1994	8. Åddressee's Address (Only if requeste and fee is paid) Copyright O2595-98-B-0229 Domestic Return Received Domestic Return Return Received Domestic Return		

Z 559 541 809

Mr. Ed Watts

Bristol Resources Corporation

Bristol Resources 1994 Acquisition

Limited Partnership

Bristol Resources Production Company, L.L.C.

6655 S. Lewis

Tulsa, OK 74136

}	Postage	\$. 55
	Certified Fee	TRO	35
	Special Delivery	MA	
	Restricted Delivery Fee	1908	<u> </u>
1995	Return Feceipt Showing to Whom & Date Delivered	1	/ro
S Form 3800 , April 1995	Return Receipt Showing to Whom Date, & Addresses Address	1	
300,	TOTAL Postage & Fees	\$ 3	. 00
<u>ي</u>	Postmark or Date		
Forn			
Ś	}		

SENDER: © Complete items 1 and/or 2 for additional services. © Complete items 3, 4a, and 4b. © 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 spapermit. © Write "Return Receipt Requested" on the mailpiece below the art of the Return Receipt will show to whom the article was delivered.	ice does not icle number. and the date	I also wish to receive the following services (for an extra fee): 1. Addressee's Address 2. Restricted Delivery Consult postmaster for fee.
Mr. Ed Watts Bristol Resources Corporation Bristol Resources 1994 Acquisition Limited Partnership Bristol Resources Production Company, L.L.C. 6655 S. Lewis Tulsa, OK 74136 5. Received By: (Print Name) 6. Signature: (Addressee or Agent) X	7. Date of D	Type red Certified S Mail Consured English of no policy of the control of the con

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Case Nos. <u>12079 & 12080</u> Exhibit No. <u>5</u>

Submitted by: <u>David H. Arrington Oil & Gas, Inc.</u>

Hearing Date: November 5, 1998