



GREAT WESTERN DRILLING COMPANY  
Post Office Box 1659 • Midland, Texas 79702 • 915/682-5241

March 5, 1992

VIA CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Mr. Darrell L. Gillen  
Williams Production Company  
P. O. Box 1526  
Salt Lake City, Utah 84110-1526

BEFORE EXAMINER STOGNER  
OIL CONSERVATION DIVISION

APPLICANT'S EXHIBIT NO. 2

CASE NO. 10563

RE: Great Western Drilling Co.  
J. E. Decker No. 11, 910' FSL &  
955' FWL of Section 8-T32N-R11W  
San Juan County, New Mexico

Gentlemen:

Pursuant to The Oil Conservation Division-State of New Mexico, Case No. 10048, Order No. R-9277, you are entitled to participate in the captioned well. This well has been drilled and completed, however, due to the order, it has never produced. You are entitled to participate because of your 23% ownership of Lots 1, 2, & S/2 SE/4 of Section 8-T32N-R11W, San Juan County, New Mexico.

The total costs incurred to date are \$329,969, of which your share would be \$37,991.61, in the event you wish to participate. This interest was derived from the Communitization Agreement.

You will also note in the Order, that if all parties cannot come to a mutual agreement, a force pooling hearing will have to be conducted to assess risk, overhead and well costs.

I have enclosed an Operating Agreement and Communitization Agreement for your review.

According to the Order, you have three options:

- A. Execute these Agreements and remit your share of the costs;
- B. Sign these Agreements and go non-consent under the JOA;
- C. Conduct a force pooling hearing, as previously stated.

Mr. Darrell L. Gillen  
March 5, 1992  
Page 2

I trust you will give this matter your immediate attention, as we plan to produce the well in the very near future. Please feel free to contact the undersigned if you have any questions.

Sincerely,  
GREAT WESTERN DRILLING COMPANY

Mike S. Heathington

MSH/rs



GREAT WESTERN DRILLING COMPANY  
Post Office Box 1659 • Midland, Texas 79702 • 915/682-5241

March 5, 1992

VIA CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Mr. Jon Nelson  
~~Coastal Oil & Gas Corporation~~  
P. O. Box 749  
Denver, CO 80201-0749

RE: Great Western Drilling Co. J.  
E. Decker No. 11, 910' FSL &  
955' FWL of Section 8-T32N-R11W  
San Juan County, New Mexico

Dear Mr. Nelson:

Pursuant to The Oil Conservation Division-State of New Mexico, Case No. 10048, Order No. R-9277, you are entitled to participate in the captioned well. This well has been drilled and completed, however, due to the order, it has never produced. You are entitled to participate because of your 27% ownership of Lots 1, 2, & S/2 SE/4 of Section 8-T32N-R11W, San Juan County, New Mexico.

The total costs incurred to date are \$329.969, of which your share would be \$44,598.84, in the event you wish to participate. This interest was derived from the Communitization Agreement.

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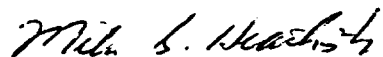
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Mr. Jon Nelson  
March 5, 1992  
Page 2

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Sincerely,  
GREAT WESTERN DRILLING COMPANY

A handwritten signature in cursive script, reading "Mike S. Heathington".

Mike S. Heathington

MSH/rs



GREAT WESTERN DRILLING COMPANY  
Post Office Box 1659 • Midland, Texas 79702 • 915/682-5241

March 16, 1992

VIA CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Mr. Darrell L. Gillen  
Williams Production Company  
P. O. Box 1526  
Salt Lake City, Utah 84110-1526

RE: Great Western Drilling Co.  
J. E. Decker No. 11, 910' FSL &  
955' FWL of Section 8-T32N-R11W  
San Juan County, New Mexico

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GREAT WESTERN DRILLING COMPANY  
Post Office Box 1659 • Midland, Texas 79702 • 815/682-5241

March 16, 1992

VIA CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Mr. Darrell L. Gillen  
Williams Production Company  
P. O. Box 1526  
Salt Lake City, Utah 84110-1526

RE: Great Western Drilling Co.  
J. E. Decker No. 11, 910' FSL &  
955' FWL of Section 8-T32N-R11W  
San Juan County, New Mexico

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GREAT WESTERN DRILLING COMPANY  
Post Office Box 1659 • Midland, Texas 79702 • 915/682-5241

April 21, 1992

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Mr. Jon Nelson *Nelson*  
Coastal Oil & Gas Corporation  
P.O. Box 749  
Denver, CO 80201-0749

*Den Sp. 1114  
(303) 513-4423*

Re: Operating Agreement and  
Com Agreement covering Fruitland  
Formation, Lots 1, 2, 3 & 4  
S/2 S/2 Section 8  
J. E. Decker No. 11  
San Juan County, NM

Dear Mr. Nelson:

By our letter dated March 4, 1992, a copy of which is enclosed, Great Western Drilling Company submitted an Operating Agreement and Communization Agreement covering our already drilled and completed J. E. Decker No. 11, located 910' FSL and 955' FWL of Section 8, T32N, R11W, San Juan County, New Mexico.

In compliance with your request we have enclosed copies of all logs run on the well, copies of the drilling reports and copies of all sundry notices filed with the Oil Conservation Division in New Mexico. We trust this information will be beneficial to you in expediting an election from you on this well.

If we do not hear from you within thirty (30) days from the date of this letter, we will assume you will go non-consent under our proposed Operating Agreement, rather than forcing us to begin compulsory pooling of your interests.

Very truly yours,

GREAT WESTERN DRILLING COMPANY

*Mike S. Heathington*

Mike S. Heathington  
Landman

Enclosures



GREAT WESTERN DRILLING COMPANY  
Post Office Box 1659 • Midland, Texas 79702 • 915/682-5241

June 23, 1992

Mr. Vern Hansen  
Williams Production Company  
P. O. Box 1526  
Salt Lake City, Utah 84110-1526

Re: Substitute Pages  
Communitization Agreement  
J. E. Decker No. 11 Well  
San Juan County, New Mexico

Gentlemen:

Per your request, please find (2) two substitute pages which reflect the changes we discussed concerning the above agreement. Please insert into your copy of the agreement. Arco has indicated that I will have an executed Operating Agreement and Communitization Agreement this week. Arco is participating in the well. As we discussed, Coastal is going non-consent.

Your assistance in forwarding an executed signature page to the Operating Agreement and (4) four signature pages to the Communitization Agreement will be greatly appreciated.

Very truly yours,

Mike S. Heathington  
Landman

MSH/lkf  
Enclosures

(Hansen)