

KAREN AUBREY

ATTORNEY AT LAW

236 MONTEZUMA

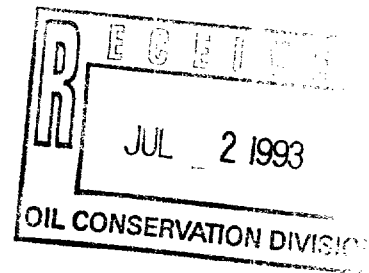
SANTA FE, NEW MEXICO 87501

ALSO ADMITTED IN ARIZONA

TELEPHONE (505) 982-4287
TELEFAX (505) 986-8349

July 2, 1993

Mr. Michael E. Stogner
Oil Conservation Division
State Land Building
310 Old Santa Fe Trail, Room 206
Santa Fe, NM 87503



RE: Application of Rand Oil and Gas, Inc.
Case No. 10752

Dear Mr. Stogner:

Please find enclosed a proposed order for entry in this case and a floppy containing the order for your use. If this case could be readvertised for July 15, 1993 instead of July 29, 1993 we would appreciate it.

Sincerely,

Karen Aubrey

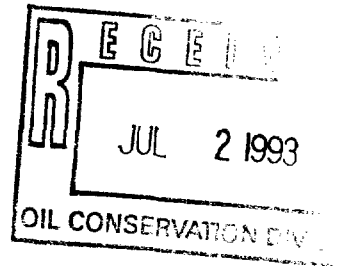
ka/hg
enclosures
cc: Phil Whitsitt (w/encl.)

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

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

CASE NO. 10752

APPLICATION OF RAND OIL AND GAS, INC.
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO



PROPOSED ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on July 1, 1993, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 1 day of July, 1993, the Division Director, having considered the testimony, the record and the recommendations of the examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, Rand, Oil and Gas, Inc., seeks an order pooling all mineral interests from the surface to the base of the Devonian formation, South Knowles Devonian Pool or approximately 12,200 feet subsurface, whichever is deeper, forming a standard 80-acre oil spacing and proration unit consisting of the E/2NW/4 of Section 18, T.17S., R.39 E., N.M.P.M., Lea County, New Mexico.

(3) The applicant has the right to drill and proposes to drill a well at a standard location thereon.

(4) There are interest owners in the proposed proration unit who have not agreed to pool their interests.

(5) To avoid the drilling of unnecessary wells, to protect correlative rights, to prevent waste and to afford to the owner of each interest in said unit the opportunity to recover or receive without unnecessary expense a just and fair share of the hydrocarbons from any pool affected by this order, the subject application should be approved by pooling all mineral interests, whatever they may be, within said unit.

(6) That Rand, Oil and Gas, Inc. should be designated the operator of the subject well and unit.

(7) Any non-consenting working interest owner should be afforded the opportunity to pay a proportionate share of estimated well costs to the operator in lieu of paying those costs out of production.

(8) Any non-consenting working interest owner who does not pay that share of estimated well costs should have withheld from production a proportionate share

of reasonable well costs plus an additional 200 percent thereof as a reasonable charge for the risk involved in the drilling of the well.

(9) All non-consenting interest owners should be afforded the opportunity to object to the actual well costs, but actual well costs should be adopted as the reasonable well costs in the absence of such objection.

(10) Following determination of reasonable well costs, any non-consenting working interest owner who has paid a proportionate share of estimated costs should pay to the operator any amount that reasonable well costs exceed estimated well costs and should receive from the operator any amount that paid estimated well costs exceed reasonable well costs.

(11) \$5128.00 per month while drilling and \$540.00 per month while producing should be fixed as reasonable charges for supervision (combined fixed rates); the operator should be authorized to withhold from production the proportionate share of such supervision charges attributable to each non-consenting working interest, and in addition thereto, the operator should be authorized to withhold from production the proportionate share of actual expenditures required for operating the subject well, not in excess of what are reasonable, attributable to each non-consenting working interest.

(12) All proceeds from production from subject well which are not disbursed for any reason should be placed in escrow in Lea County to be paid to the true owner thereof upon demand and proof of ownership.

(13) Upon the failure of the operator of said pooled unit to commence drilling

of the well to which said unit is dedicated on or before _____, 1993, the order pooling said unit should become null and void and of no further effect whatsoever.

(14) Should all the parties to this force-pooling reach voluntary agreement subsequent to entry of this order, this order should thereafter be of no further effect.

(15) The operator of the well and unit should notify the Director of the Division in writing of the subsequent voluntary agreement of all parties subject to the force-pooling provisions of this order.

IT IS THEREFORE ORDERED THAT:

(1) All mineral interests, whatever they may be, from the surface to the base of the Devonian formation, South Knowles Devonian Pool or approximately 12,200 feet subsurface, whichever is deeper, forming a standard 80-acre oil spacing and proration unit consisting of the E/2NW/4 of Section 18, T17S., R.39 E., N.M.P.M., Lea County, New Mexico are hereby pooled for any and all formations and pools developed on 80-acre oil spacing, within said vertical extent which presently includes but is not necessarily limited to the Devonian Pool. Said unit is to be dedicated to a well to be drilled at a standard well location thereon.

PROVIDED HOWEVER THAT, the operator of said unit shall commence the drilling of said well on or before the _____ day of _____, 1993 and shall thereafter continue the drilling of said well with due diligence to a depth sufficient to test the Devonian formation.

PROVIDED FURTHER THAT, in the event said operator does not commence the drilling of said well on or before the _____ day of _____, 1993, Decretory Paragraph No. (1) of this order shall be null and void and of no effect whatsoever, unless said operator obtains a time extension from the Division for good cause shown.

PROVIDED FURTHER THAT, should said well not be drilled to completion, or abandonment, within 120 days after commencement thereof, said operator shall appear before the Division Director and show cause why Decretory Paragraph No. (1) of this order should not be rescinded.

(2) Rand Oil and Gas, Inc. is hereby designated the operator of the subject well and unit.

(3) After the effective date of this order and within 90 days prior to commencing said well, the operator shall furnish the Division and each known working interest owner in the subject unit an itemized schedule of estimated well costs.

(4) Within 30 days from the date the schedule of estimated well costs is furnished to him, any non-consenting working interest owner shall have the right to pay a proportionate share of estimated well costs to the operator in lieu of paying that share of reasonable well costs out of production, and any such owner who pays that share of estimated well costs, as provided above, shall remain liable for operating costs but shall not be liable for risk charges.

(5) The operator shall furnish the Division and each known working interest

owner an itemized schedule of actual well actual well costs within 90 days following completion of the well; if no objection to the actual well costs is received by the Division, and the Division has not objected within 45 days following receipt of said schedule, the actual well costs shall be reasonable well costs; provided however, if there is an objection to actual well costs within said 45-day period the Division will determine reasonable well costs after public notice and hearing.

(6) Within 60 days following determination of reasonable well costs, any non-consenting working interest owner who has paid a proportionate share of estimated costs in advance as provided above, shall pay to the operator a pro rata share of the amount that reasonable well costs exceed estimated well costs and shall receive from the operator a pro rata share of the amount that estimated well costs exceed reasonable well costs.

(7) The operator is hereby authorized to withhold the following costs and charges from production:

- (a) The pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not paid a proportionate share of estimated well costs within 30 days from the date the schedule of estimated well costs is furnished; and
- (b) As a charge for the risk involved in the drilling of the well, 200 percent of the pro rata share of reasonable well costs attributed to each non-consenting working interest owner who has not paid her/his share of

estimated well costs within days from the data the schedule of
estimated well costs is furnished.

(8) The operator shall distribute said costs and charges withheld from
production to the parties who advanced the well costs.

(9) \$5128.00 per month while drilling and \$540.00 per month while producing
are hereby fixed as reasonable charges for supervision (combined fixed rates); the
operator is hereby authorized to withhold from production the proportionate share of
such supervision charges attributable to each non-consenting working interest, and
in addition thereto, the operator is hereby authorized to withhold from production the
proportionate share of actual expenditures required for operating the subject well, not
in excess of what are reasonable, attributable to each non-consenting working interest.

(10) Any unleased mineral interest shall be considered a seven-eighths (7/8)
working interest and a one-eighth (1/8) royalty interest for the purpose of allocating
costs and charges under the terms of this order.

(11) Any well costs or charges which are to be paid out of production shall be
withheld only from the working interest's share of production, and no costs or charges
shall be withheld from production attributable to royalty interests.

(12) All proceeds from production from subject well which are not disbursed for
any reason shall be placed in escrow in Lea County, New Mexico, to be paid to the
true owner thereof upon demand and proof of ownership; the operator shall notify the
Division of the name and address of said escrow agent within 30 days from the date

CASE NO. 10752
ORDER NO. R-
Page 8

of first deposit with said escrow agent.

(13) Should all the parties to this force-pooling reach voluntary agreement subsequent to entry of this order, this order shall thereafter be of no further effect.

(14) The operator of subject well and unit shall notify the Director of the Division in writing of the subsequent voluntary agreement of all parties subject to the force-pooling provisions of this order.

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

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

WILLIAM J. LEMAY
Director

S E A L

KAREN AUBREY

ATTORNEY AT LAW

236 MONTEZUMA

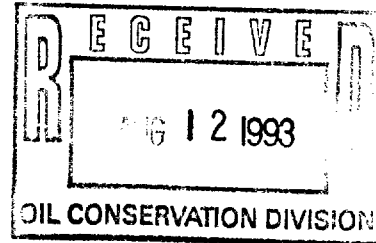
SANTA FE, NEW MEXICO 87501

ALSO ADMITTED IN ARIZONA

TELEPHONE (505) 982-4287
TELEFAX (505) 986-8349

August 12, 1993

Michael Stogner
Hearing Examiner
New Mexico Oil Conservation Division
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501



HAND DELIVERED

Re: Application of Rand Oil and Gas
NMOCD Case No. 10752
Order No. R-9934

Dear Mr. Stogner:

As we discussed on August 11, 1993, Rand Oil and Gas, Inc. requests that the Division amend, nunc pro tunc, Order R-9934 with regard to Decretory Paragraphs 3 and 4.

Paragraph 3 requires the operator to provide "an itemized schedule of actual well costs" to the pooled party within thirty days of August 11, 1993. Paragraph 4 provides that the pooled party shall have the right to participate, without penalty, upon payment of his share of actual well costs within thirty days from the date actual well costs are furnished.

As we discussed, even though this well has been completed, actual well costs will not be known for at least 90 days. If we were to furnish Mr. Clinton with "actual" well costs received to date, it would be necessarily incomplete, and would result in an inaccurate and misleading itemization of those costs. Further, if Mr. Clinton were to pay based upon this inaccurate and incomplete itemization of costs, he would not be paying his proportionate share of actual costs. Finally, since actual costs will not be known until 90 days or so from completion, to give Mr. Clinton 30 days after that in which to make his decision, extends the time in which he would have to join to approximately 120 days, which is four times as long as pooled parties have under the usual Division order.

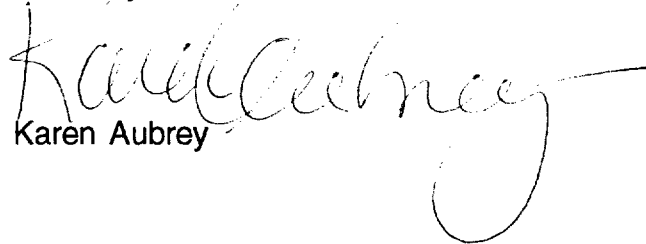
We request that Paragraphs 3 and 4 of Order R-9934 be amended, nunc pro tunc, to provide that the operator furnish Mr. Clinton with an estimate of well costs,

Mr. Michael Stogner
Re: Case No. 10752
Order No. R-9934
August 12, 1993
Page Two

and that he have 30 days from the date the schedule of estimate well costs is furnished to make his election.

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in cursive script, appearing to read "Karen Aubrey", with a long horizontal flourish extending to the right.

Karen Aubrey

ka/mm
xc: Phil Whitsitt
Jan De Vault

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

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

CASE NO. 10752
ORDER NO. R-9934

**APPLICATION OF RAND OIL AND GAS, INC. FOR COMPULSORY POOLING, LEA
COUNTY, NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on July 1 and 29, 1993 at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 11th day of August, 1993, the Division Director, having considered the testimony, the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

- (1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) The applicant, Rand Oil and Gas, Inc., seeks an order pooling all mineral interests from the surface to the base of the Devonian formation or to a depth of 12,200 feet, whichever is deeper, underlying the E/2 NW/4 of Section 18, Township 17 South, Range 39 East, NMPM, Lea County, New Mexico, forming a standard 80-acre oil spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing within said vertical extent, which presently includes only the South Knowles-Devonian Pool.
- (3) The applicant is an interest owner in the E/2 NW/4 of said Section 18 and has the right to develop the minerals underlying said unit.
- (4) The applicant has drilled its ARCO "A" Com Well No. 1 at a standard well location 1980 feet from the North and West lines (Unit F) of said Section 18.

(5) There are interest owners in the proposed proration unit who have not agreed to pool their interests.

(6) To avoid the drilling of unnecessary wells, to protect correlative rights, to prevent waste and to afford to the owner of each interest in said unit the opportunity to recover or receive without unnecessary expense his just and fair share of the oil underlying the proposed spacing and proration unit, the subject application should be approved by pooling all mineral interests, whatever they may be, within said unit.

(7) The applicant should be designated the operator of the subject well and unit.

(8) Any non-consenting working interest owner should be afforded the opportunity to pay his share of actual well costs to the operator in lieu of paying his share of reasonable well costs out of production.

(9) Any non-consenting working interest owner who does not pay his share of actual well costs should have withheld from production his share of reasonable well costs plus an additional 200 percent thereof as a reasonable charge for the risk involved in the drilling of the well.

(10) Any non-consenting interest owner should be afforded the opportunity to object to the actual well costs but actual well costs should be adopted as the reasonable well costs in the absence of such objection.

(11) Following determination of reasonable well costs, any non-consenting working interest owner who has paid his share of actual costs should pay to the operator any amount that reasonable well costs exceed actual well costs and should receive from the operator any amount that paid actual well costs exceed reasonable well costs.

(12) \$5128.00 per month while drilling and \$540.00 per month while producing should be fixed as reasonable charges for supervision (combined fixed rates); the operator should be authorized to withhold from production the proportionate share of such supervision charges attributable to each non-consenting working interest, and in addition thereto, the operator should be authorized to withhold from production the proportionate share of actual expenditures required for operating the subject well, not in excess of what are reasonable, attributable to each non-consenting working interest.

(13) All proceeds from production from the subject well which are not disbursed for any reason should be placed in escrow to be paid to the true owner thereof upon demand and proof of ownership.

(14) Should all the parties to this force-pooling reach voluntary agreement subsequent to entry of this order, this order should thereafter be of no further effect.

(15) The operator of the well and unit should notify the Director of the Division in writing of the subsequent voluntary agreement of all parties subject to the force-pooling provisions of this order.

IT IS THEREFORE ORDERED THAT:

(1) All mineral interests, whatever they may be, from the surface to the base of the Devonian formation or to a depth of 12,200 feet, whichever is deeper, underlying the E/2 NW/4 of Section 18, Township 17 South, Range 39 East, NMPM, Lea County, New Mexico, are hereby pooled to form a standard 80-acre oil spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing within said vertical extent, which presently only includes the South Knowles-Devonian Pool. Said unit is to be dedicated to the existing ARCO "A" Com Well No. 1 located at a standard oil well location 1980 feet from the North and West lines (Unit F) of said Section 18.

(2) The applicant in this matter, Rand Oil and Gas, Inc., is hereby designated the operator of the subject well and unit.

(3) Within thirty days after the effective date of this order, the operator shall furnish the Division and each known working interest owner in the subject unit an itemized schedule of actual well costs.

(4) Within thirty days from the date the schedule of actual well costs is furnished to him, any non-consenting working interest owner shall have the right to pay his share of actual well costs to the operator in lieu of paying his share of reasonable well costs out of production, and any such owner who pays his share of actual well costs as provided above shall remain liable for operating costs but shall not be liable for risk charges.

(5) The operator shall furnish the Division and each known working interest owner an itemized schedule of actual well costs within ninety days following completion of the well. If no objection to the actual well costs is received by the Division and the Division has not objected within forty-five days following receipt of said schedule, the actual well costs shall be the reasonable well costs; provided however, if there is an objection to actual well costs within said forty-five day period, the Division will determine reasonable well costs after public notice and hearing.

(6) Any non-consenting working interest owner may, at least forty-five days after receiving the schedule of actual well costs, but not more than ninety days after such receipt, file with the Division an objection to such costs. If no objection to the actual well costs is received by the Division and the Division has not objected within the period from at least forty-five to within ninety days following receipt of said schedule, the actual well costs shall be the reasonable well costs, provided however, if there is an objection to actual well costs within the aforesaid forty-fifth to ninetieth day period, the Division will determine reasonable well costs after public notice and hearing.

(7) Within 60 days following determination of reasonable well costs, any non-consenting working interest owner who has paid his share of actual costs in advance as provided above shall pay to the operator his pro rata share of the amount that reasonable well costs exceed actual well costs and shall receive from the operator his pro rata share of the amount that actual well costs exceed reasonable well costs.

(8) The operator is hereby authorized to withhold the following costs and charges from production:

- (A) The pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not paid his share of actual well costs within 30 days from the date the schedule of actual well costs is furnished to him; and
- (B) As a charge for the risk involved in the drilling of the well, 200 percent of the pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not paid his share of actual well costs within 30 days from the date the schedule of actual well costs is furnished to him.

(9) The operator shall distribute said costs and charges withheld from production to the parties who advanced the well costs.

(10) \$5128.00 per month while drilling and \$540.00 per month while producing are hereby fixed as reasonable charges for supervision (combined fixed rates); the operator is hereby authorized to withhold from production the proportionate share of such supervision charges attributable to each non-consenting working interest, and in

addition thereto, the operator is hereby authorized to withhold from production the proportionate share of actual expenditures required for operating such well, not in excess of what are reasonable, attributable to each non-consenting working interest.

(11) Any unleased mineral interest shall be considered a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest for the purpose of allocating costs and charges under the terms of this order.

(12) Any well costs or charges which are to be paid out of production shall be withheld only from the working interest's share of production, and no costs or charges shall be withheld from production attributable to royalty interests.

(13) All proceeds from production from the subject well which are not disbursed for any reason shall be placed in escrow in Lea County, New Mexico, to be paid to the true owner thereof upon demand and proof of ownership; the operator shall notify the Division of the name and address of said escrow agent within 30 days from the date of first deposit with said escrow agent.

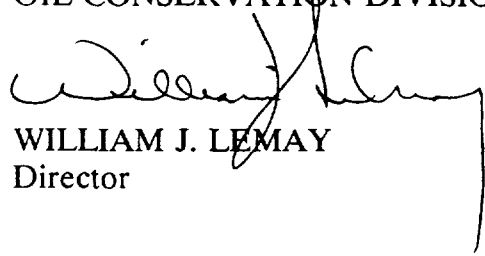
(14) Should all the parties to this force-pooling reach voluntary agreement subsequent to entry of this order, this order shall thereafter be of no further effect.

(15) The operator of the subject well and unit shall notify the Director of the Division in writing of the subsequent voluntary agreement of all parties subject to the force-pooling provisions of this order.

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

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY
Director

S E . . .



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

August 10, 1993

Karen Aubrey
Attorney At Law
236 Montezuma
Santa Fe, New Mexico 87501

RE: CASE NO. 10752
ORDER NO. R-9934

Dear Madam:

Enclosed herewith are two copies of the above-referenced Division order recently entered in the subject case.

Sincerely,

Sally E. Leichle
Sally E. Leichle
Administrative Secretary

cc: BLM - Carlsbad
Steve Keene



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

August 23, 1993

ANITA LOCKWOOD
CABINET SECRETARY

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

KAREN AUBREY
236 MONTEZUMA
SANTA FE, NEW MEXICO 87501

Re: Case No. 10752
Order No. R-9934
Application of Rand Oil and Gas, Inc. for
Compulsory Pooling, Lea County, New Mexico.

Dear Ms. Aubrey:

I have reviewed and discussed your letter dated August 12, 1993 concerning a nunc-pro-tunc amendment to said order with Robert G. Stoval, General Counsel of the Division, and Larry Van Ryan, Chief Engineer. It is our conclusion that such an amendment is not necessary or warranted since the operator elected to commence the drilling of this well prior to obtaining a force pooling order.

Should Rand wish to pursue this matter further, please request a De Novo hearing with the Commission.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael E. Stogner".

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: Larry Van Ryan - OCD, Santa Fe
Robert G. Stovall - OCD, Santa Fe
William J. LeMay, Director - OCD, Santa Fe

ALSO ADMITTED IN ARIZONA

KAREN AUBREY

ATTORNEY AT LAW

236 MONTEZUMA

SANTA FE, NEW MEXICO 87501

OIL CONSERVATION DIVISION
RECEIVED

TELEPHONE (505) 982-4287
FAX (505) 986-8349

October 7, 1993

Michael Stogner
Hearing Examiner
New Mexico Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87504-2088

Re: Order No. R-9934, Case No. 10752

Dear Mr. Stogner:

Pursuant to Ordering Paragraph (3) of the above Order, I enclose a copy of the actual well costs incurred in drilling and completing the subject well. Enclosed also is a copy of the U.S. Mail return receipt showing mailing of these costs to the pooled party.

Sincerely,

Karen Aubrey

ka/mm

enclosure

xc: Jan DeVault, Rand Oil and Gas
4006 Beltline Road Suite 290
Dallas, TX 75244

Phil Whitsitt, The Anshutz Corporation
4000 N. Big Spring Suite 209
Midland, TX 79705

Rand Oil & Gas, Inc.
Joint Interest Billing Charges
As of August 31, 1993

Stanford Clinton, Jr.
Three Bar Ranch
Recluse, WY 82725

Investors W.I.
0.01041700

Arco A Com #1
Lee County, New Mexico

Reference				Total	Your Share
1600	EmPRINT	.R/A #2 BOOKS (dpsl)	DRLG	1,200.00	12.50
GEN JRNL	JOE TARBET	.LOCATION & DAMAGES	DRLG	20,000.00	208.34
1662	UNITED NM BANK	.PLUGGING BOND	DRLG	10,000.00	104.17
5356	CAPROCK TITLE COMPAN	.ABSTRACT OF TITLE	DRLG	630.34	6.57
4831	ENERGY GROUP INC	.EQUIP RNTL/PE PIPE	DRLG	690.36	7.19
593-071	GLODE CONSTRUCTION C	.DIRT WORK/LOC READY	DRLG	2,366.37	24.65
93-11-09	JOHN WEST ENGINEERIN	.STAKE LOCATION	DRLG	306.83	3.20
05-06-95	DOWELL SCHLUMBERGER,	.CEMENTING/SURFACE	DRLG	4,756.69	49.55
1JUN93 1	KAREN AUBREY	.LEGAL FEES	DRLG	95.51	0.99
2743	RALPH'S WELDING	.WELD CSG/WEELHEAD	DRLG	186.12	1.94
32669	ERC INDUSTRIES, INC.	.CSGHEAD ASSEMBLY	DRLG	2,657.73	27.69
6-2-101	TOBOSA OIL & GAS COM	.GEOLOGICAL PROSPECT	DRLG	5,000.00	52.09
8180	POSEY PIPE & EQUIP.,	.NEW L/S CASING	DRLG	5,697.55	59.35
5420	CENTURIAN OILFIELD	.DRLG MUD ADDITIVE	DRLG	800.00	8.33
28331	CENTURIAN OILFIELD	.TRANSPORT DMA	DRLG	374.51	3.90
8204	POSEY PIPE & EQUIP.,	.NEW CASING	DRLG	47,965.45	499.66
311080	HALLIBURTON SERVICES	.CEMENT INTER CASING	DRLG	18,174.24	189.32
8206	POSEY PIPE & EQUIP.,	.UNLOAD CASING	DRLG	117.77	1.23
50148	STAR WELDING SERVICE	.WELD CSG,NPLDWN	DRLG	169.80	1.77
15340	RIG TESTERS, INC.	.DRL STM TST #17074	DRLG	1,869.17	19.47
PL0489	T & C PIT LINING	.PLASTIC/INSTALLATIO	DRLG	2,171.81	22.62
05-06-96	DOWELL SCHLUMBERGER,	.CEMENTING/CSG HRDWR	DRLG	4,429.87	46.15
DRFT/TRX	JOHN DEVAULT	.SEISMIC	DRLG	5,000.00	52.09
1707	CASH / MARK RAND	.ON-SITE INSPECTION	DRLG	650.00	6.77
1707	MARK RAND / TRAVEL	.ON-SITE INSPECTION	DRLG	650.00	6.77
6-25-102	TOBOSA OIL & GAS COM	.SUPERVISION EXPENSE	DRLG	29.44	0.31
66695	McCLATCHY BROS., INC	.LOAD/UNLOAD CASING	DRLG	285.47	2.97
7486184	LTV ENERGY PRODUCTS	.SAMPLE KITS	DRLG	304.43	3.17
4974	ENERGY GROUP INC	.PUMP RENTAL	DRLG	3,683.11	38.37
1722	JEFF RAND / TRAVEL	.ON-SITE INSPECTION	DRLG	550.00	5.73
15367	RIG TESTERS, INC.	.DRILL STEM TEST	DRLG	2,729.61	28.43
160075	SCHLUMBERGER WELL SE	.LOGGING/EVALUATION	DRLG	21,342.91	222.33
82343	NUMAR	.LOGGING	DRLG	10,400.00	106.34
12967	SOUTHWESTERN UNIVERS	.FLUIDS/ADDITIVES	DRLG	14,208.35	148.01
4771	NORTON DRILLING COMP	.DRLG FOOTAGE/DAYWRK	DRLG	223,019.90	2,323.20
7-JUL-93	KAREN AUBREY	.LEGAL SERVICES	DRLG	1,282.77	13.36
7-8-101	TOBOSA OIL & GAS COM	.DRILLING / FOOTAGE	DRLG	12,137.00	126.43
27243	TRIPP CONSTRUCTION,	.BLD PAD; PATCH ROAD	DRLG	664.65	6.92
937017	TWO-STATE TANK RENTA	.TANK RENTAL	DRLG	211.00	2.20
001917	HOBBS ANCHOR, INC	.INSTL/TST/SET ANCHR	DRLG	594.66	6.19

Rand Oil & Gas, Inc.
Joint Interest Billing Charges
As of August 31, 1993

Stanford Clinton, Jr.
Three Bar Ranch
Recluse, WY 82725

Investors W.I.
0.01041700

Arco A Com #1
Lee County, New Mexico

Reference				Total	Your Share
736	MASTER PHOTO USA	.WELL SITE PHOTOS	DRLG	19.49	0.20
10094	SCHLUMBERGER WELL SE	.LOGGING TAPE	DRLG	400.00	4.17
2328	LEON GOBLE	.FLOW LINE	DRLG	2,390.30	24.90
696	CHANCE TOOL CO., INC	.RENTAL BOP	DRLG	2,918.60	30.40
17186	TRIPP CONSTRUCTION,	.BLD/RPR LOCATION	DRLG	387.71	4.04
10715--1	EMPRINT	.BOOKS/MAPS PRINTED	DRLG	402.69	4.19
756	GREG RAND -- TRAVEL	.ON-- SITE INSPECTION	DRLG	322.00	3.35
TOTAL INTANGIBLE DRILLING COSTS				434,244.21	4,523.52
936132	TWO-- STATE TANK RENTA	.TANK RENTAL/400 BBL	CMPL	957.94	9.98
25140	ALLEN'S CASING CREWS	.CASING DOPE	CMPL	137.80	1.44
50260	STAR WELDING SERVICE	.WELDER/CUT CASING	CMPL	135.84	1.42
515652	HALLIBURTON SERVICES	.CMNT PRODUCTION CSG	CMPL	10,110.27	105.32
7--1--101	TOBOSA OIL & GAS COM	.SUPERVISION EXPENSE	CMPL	267.81	2.79
1156	LIBERTY LOGGERS	.MUD LOGGING	CMPL	6,571.68	68.46
56491	CALLAWAY SAFETY EQUI	.SAFETY TRAILER RNTL	CMPL	689.21	7.18
9307--11	BILL BEAZLEY	.OPEN HOLE/MRI LOGS	CMPL	725.30	7.56
7--12--102	TOBOSA OIL & GAS COM	.SUPERVISION EXPENSE	CMPL	528.40	5.50
7486309	LTV ENERGY PRODUCTS	.FITTINGS/HARDWARE	CMPL	2,423.11	25.24
5071	ENERGY GROUP INC	.RENTAL PE PIPE/CREW	CMPL	1,437.92	14.98
7486335	LTV ENERGY PRODUCTS	.FITTINGS/HARDWARE	CMPL	1,294.95	13.49
17053	CUSTOM WELDING	.WELD PULL NIPPLE	CMPL	139.25	1.45
7486337	LTV ENERGY PRODUCTS	.FITTINGS/HARDWARE	CMPL	1,886.30	19.65
128269	PAUL MUSSELWHITE TRU	.UNLOAD TUBING	CMPL	176.65	1.84
4510	LUCKY WELL SERVICE,	.SWABBING	CMPL	6,116.84	63.72
7486362	LTV ENERGY PRODUCTS	.FITTINGS/HARDWARE	CMPL	1,293.97	13.48
7486363	LTV ENERGY PRODUCTS	.FITTINGS/HARDWARE	CMPL	1,423.59	14.83
7186364	LTV ENERGY PRODUCTS	.FITTINGS/HARDWARE	CMPL	2,188.16	22.79
7486365	LTV ENERGY PRODUCTS	.FITTINGS/HARDWARE	CMPL	2,234.40	23.28
7486366	LTV ENERGY PRODUCTS	.FITTINGS/HARDWARE	CMPL	1,688.56	17.59
7486367	LTV ENERGY PRODUCTS	.FITTINGS/HARDWARE	CMPL	2,320.51	24.17
7486368	LTV ENERGY PRODUCTS	.FITTINGS/HARDWARE	CMPL	706.97	7.36
42467	PETRO--THERMO CORPORA	.WATER/WATER HAULING	CMPL	3,151.38	32.83
8256	POSEY PIPE & EQUIP,	.UNLOAD CASING	CMPL	373.72	3.89
931543	K&S PAINTING/SANDBLA	.BLD BTRY/LAY FLWLN	CMPL	5,406.87	56.32
93--7--091	KNOX SERVICES, INC	.CHEMICALS/TREATMENT	CMPL	1,443.10	15.03
7486402	LTV ENERGY PRODUCTS	.FITTINGS/HARDWARE	CMPL	84.49	0.88

Rand Oil & Gas, Inc.
Joint Interest Billing Charges
As of August 31, 1993

Stanford Clinton, Jr.
Three Bar Ranch
Deer Creek, WY 82725

Investors W.I.
0.01041700

Arco A Com #1
Lee County, New Mexico

Reference				Total	Your Share
9507	AJAX REPAIR AND SUPP	.CHOKE	CMPL	51.68	0.54
477	PETRO-THERMO CORPORA	.WATER HAULING/DISPS	CMPL	619.04	6.45
478	PETRO-THERMO CORPORA	.TRNSF OIL/ACID JOB	CMPL	453.15	4.72
586	CALLAWAY SAFETY EQUI	.BREATHING AIR EQUIP	CMPL	980.33	10.21
96448	LTV ENERGY PRODUCTS	.FITTINGS/HARDWARE	CMPL	219.71	2.29
35	PRO WELL TESTING	.ORIFICE WELL TEST	CMPL	150.52	1.57
919	TRIPP CONSTRUCTION,	.BLD FIREWALL	CMPL	553.88	5.77
920	TRIPP CONSTRUCTION,	.DIRT WORK LOCATION	CMPL	332.33	3.46
911	CUDD PRESSURE CONTRO	.TUBING RENTAL	CMPL	5,226.87	54.45
86498	LTV ENERGY PRODUCTS	.FITTINGS/HARDWARE	CMPL	151.27	1.58
93-071	GLOBE CONSTRUCTION C	.PULL SANDED TRUCK	CMPL	313.76	3.27
TOTAL INTANGIBLE COMPLETION COSTS				64,967.53	676.78
204	POSEY PIPE & EQUIP.,	.NEW CASING	EQUIP	47,965.45	499.66
4031	ERC INDUSTRIES, INC.	.TUBINGHEAD ASSMBLY	EQUIP	1,927.18	20.08
239	POSEY PIPE & EQUIP.,	.PRODUCTION STRING	EQUIP	91,913.14	957.46
2327	LEON GOBLE	.TNKS;HTR TRTR;VLVS	EQUIP	15,105.00	157.35
486417	LTV ENERGY PRODUCTS	.CIRC UNIT W/PUMP	EQUIP	658.44	6.86
TOTAL TANGIBLE EQUIPMENT COSTS				157,569.21	1,641.41
907--PRE	CARSON & ASSOCIATES,	.07/93 WELL INSURANC	LOE	262.40	2.73
USMO	TRANSAMERICA INSURAN	.08/93 WELL INSURANC	LOE	121.40	1.26
MPR	ROGER GRAVES -- PUMP	.07/93 CONTRACT PMPG	LOE	150.00	1.56
RC02	PRODUCING WELL OHD	.07/93	LOE	500.00	5.21
MPR	ROGER GRAVES -- PUMP	.08/93 CONTRACT PMPG	LOE	150.00	1.56
RC02	PRODUCING WELL OHD	.08/93	LOE	500.00	5.21
TOTAL LEASE OPERATING EXPENSE				1,683.80	17.53

Rand Oil & Gas, Inc.
Joint Interest Billing Charges
As of August 31, 1993

Stanford Clinton, Jr.
Three Bar Ranch
Recluse, WY 82725

Investors W.I.
0.01041700

Arco A Com #1
Lee County, New Mexico

Reference

Total

Your Share

SUMMARY WELL CHARGES - ARCO A COM #1

DRILLING	434,244.21	4,523.52
COMPLETION	64,967.53	676.77
EQUIPMENT	157,569.21	1,641.40
LEASE OPERATING	1,683.80	17.54
	658,464.75	6,859.23