

LAW OFFICES

LOSEE, CARSON, HAAS & CARROLL, P. A.

300 YATES PETROLEUM BUILDING

P. O. DRAWER 239

ARTESIA, NEW MEXICO 88211-0239

OIL CONSERVATION DIVISION  
RECEIVED

'93 OCT 20

TELEPHONE  
(505) 746-3105

TELECOPY  
(505) 746-6316

ERNEST L. CARROLL  
JOEL M. CARSON  
DEAN B. CROSS  
JAMES E. HAAS  
A. J. LOSEE  
MARY LYNN BOGLE

October 19, 1993

*De Novo Hearing to be set Jan 13, 94*

**VIA PRIORITY MAIL**

Mr. William J. LeMay, Director  
New Mexico Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Re: In the Matter of the Application of Nearburg  
Producing Company for Compulsory Pooling,  
Eddy County, New Mexico; Case No. 10788/Order  
R-9964

In the Matter of the Application of Yates Petroleum  
Corporation for Compulsory Pooling, Eddy County, New  
Mexico; Case No. 10790/Order R-9965

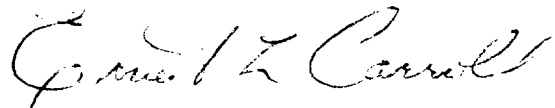
Dear Mr. LeMay:

Enclosed please find for filing in the above-referenced case the  
Applications of Yates Petroleum Corporation for hearings de novo  
in each of the above-referenced cases, in duplicate.

Please return the copies to me, endorsed, in the envelope  
provided. Thank you very much.

Very truly yours,

LOSEE, CARSON, HAAS & CARROLL, P.A.



Ernest L. Carroll

ELC:kth  
Enclosures

xc w/encl: Mr. James G. Bruce  
Mr. Randy Patterson

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



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

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

November 15, 1993

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Mr. Bob Shelton  
Consulting Landman  
Nearburg Producing Company  
3300 North "A" Street  
Suite 8100  
Midland, Texas 79705

Re: Section 2, Township 22 South, Range 24 East,  
N.M.P.M., Eddy County, New Mexico;  
NMOCD Case No. 10788;  
Order No. R.9964

Dear Sirs:

Pursuant to the above-referenced order, Yates Petroleum Corporation, Yates Drilling Company, Myco Industries, and Abo Petroleum Corporation hereby give notice of their election to participate in the drilling of your Big Walt "2" State Well No. 2 located 1650 feet from the South line and 1980 feet from the East line (Unit J) of Section 2. Enclosed herewith you will find your AFE for the well executed by all parties along with Yates Petroleum Corporation check number 45418 in the amount of \$76,155.95, Yates Drilling Company check number 18150 in the amount of \$38,077.92, Abo Petroleum Corporation check number 5553 in the amount of \$38,077.92 and Myco Industries, Inc. check number 15179 in the amount of \$38,077.92, totaling \$190,389.71, in payment of the estimated dry hole costs of the well.

Said executed AFE and estimated well costs are being delivered to you subject to Oil Conservation Division Order No. R-9964 and Nearburg's strict compliance with the terms thereof including, but not limited to the spudding of the Big Walt "2" State Well No. 2 with a rotary rig capable of drilling the well to TD on or before January 1, 1994, as set forth in the order.

Very truly yours,

YATES PETROLEUM CORPORATION

Randy G. Patterson  
Land Manager

RGP/mw

Enclosures

P 116 013 487



**Receipt for  
Certified Mail**

No Insurance Coverage Provided  
Do not use for International Mail  
(See Reverse)

Sent to	
Mr. Bob Shelton	
Street	
Nearburg Producing Co.	
3300 N. "A" Street, Ste.	
P.O. State and ZIP Code	8100
Post Office	
Midland, TX 79705	
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom Date and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

PS Form 3800, June 1991

# YATES PETROLEUM CORPORATION

(505) 748-1471

105 SO. 4TH - ARTESIA, NEW MEXICO - 88210

45418

CODE	INVOICE NUMBER	INVOICE DATE	INVOICE AMOUNT	DISCOUNT	NET AMOUNT PAYABLE
1	PREPAY BIG WALT #2	11/93	76155.95	.00	76155.95
			TOTAL FOR CHECK		76155.95

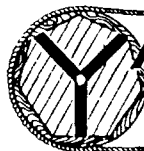
## CODES

- 1 - YOUR INVOICE
- 2 - YOUR CREDIT MEMO

THE ATTACHED CHECK IS IN FULL SETTLEMENT OF INVOICES LISTED ABOVE.  
PLEASE DETACH THIS VOUCHER BEFORE DEPOSITING CHECK. NO RECEIPT NECESSARY.

NCNB TEXAS

32-2  
1110



**YATES  
PETROLEUM  
CORPORATION**

(505) 748-1471

105 SOUTH 4TH STREET

ARTESIA, NEW MEXICO - 88210

45418

DATE 11/15/93 VENDOR NO. 646170

\*\*\*\*\*76.155DOLLARS\*\*\*95CENTS

PAY TO THE ORDER OF:

NEARBURG PRODUCING COMPANY

P. O. BOX 842424

DALLAS.

TX 75284 2424

AMOUNT

\*\*\*76.155.95

*John Yates*

045418 111000025 1390000125

# YATES DRILLING COMPANY

(505) 748-1471  
YATES BUILDING - 110 SOUTH 4TH ST.  
ARTESIA, NEW MEXICO - 88210

18150

CODE	pw	INVOICE NUMBER	INVOICE DATE	INVOICE AMOUNT	DISCOUNT	NET AMOUNT PAYABLE
1		Pre-pay dry hole costs	11/15/93	\$38,077.92	.00	<u>\$38,077.92</u>
		on Nearburg's Big Walt				
		State 2 No. 2				

## CODES

1 YOUR INVOICE  
2 YOUR CREDIT MEMO

THE ATTACHED CHECK IS IN FULL SETTLEMENT OF INVOICES LISTED ABOVE  
PLEASE DETACH THIS VOUCHER BEFORE DEPOSITING CHECK. NO RECEIPT NECESSARY

NCNB TEXAS

322  
1110

# YATES DRILLING COMPANY

18150

YATES BUILDING - 110 SOUTH 4TH

ARTESIA, NEW MEXICO - 88210

(505) 748-1471

DATE

11/15/93

VENDOR NO.

646170

PAY TO THE ORDER OF

Nearburg Petroleum Company  
P. O. Box 823085  
Dallas, Texas 75382-3085

AMOUNT

\$38,077.92

018150 111000025 1390000133

TW

DATE	DESCRIPTION	AMOUNT	DISC.	TOTAL
11/15/93	DRY HOLE COSTS - BIG WALT STATE "2" #2			<u>\$38,077.92</u>

ABO PETROLEUM CORPORATION

BP&S Form No. 496-G

VALLEY BANK OF COMMERCE  
ROSWELL, NEW MEXICO

**APC**

**ABO PETROLEUM CORPORATION**

— Oil Producers —

YATES BLDG. • ARTESIA, NEW MEXICO 88210

95-312

1122

5553

DATE  
11/15/93

VENDOR NO.  
646170

AMOUNT

\$38,077.92

**PAY 38077.92**  
**EXACTLY**

PAY TO THE ORDER OF

NEARBURG PRODUCING COMPANY  
P.O. BOX 823085  
DALLAS, TEXAS 75382-3085

ABO PETROLEUM CORPORATION

*John Yates*

⑈005553⑈

⑈112203122⑈

⑈001058355⑈



MYCO INDUSTRIES, INC.  
OIL PRODUCERS

YATES BLDG. • 207 SOUTH 4TH • ARTESIA, NEW MEXICO - 88210

95-43  
1122

15179

DATE November 15, 19 93

PAY

REGISTERED 38077.92 DOLLARS  
8P141483

\$ 38,077.92

TO THE  
ORDER  
OF

Nearburg Petroleum Company  
P.O. Box 823085  
Dallas, TX 75382-3085

MYCO INDUSTRIES, INC.

TO FIRST NATIONAL BANK  
ARTESIA, NEW MEXICO

BY *Sharon Snowden*

⑆112200439⑆

480812070

DETACH BEFORE DEPOSITING CHECK

From Myco Industries, Inc. — Artesia, New Mexico 88210

THE ATTACHED CHECK IS TENDERED IN FULL  
SETTLEMENT OF THE ITEMS LISTED HEREON

15179

DATE	DESCRIPTION	AMOUNT
November 15, 1993	Pre-Pay dry hole costs Big Walt State "2" #2	\$38,077.92

**Nearburg Producing Company**

Exploration and Production

Dallas, Texas

Page 1 of 2

**AUTHORITY FOR EXPENDITURE**

LEASE: Big Walt State 2

WELL NUMBER: 2

PROPOSED TOTAL DEPTH: 8,100'

LOCATION: 1980' FEL &amp; 1650' FSL, Section 2, T22S, R24E, Eddy County, New Mexico

FIELD: Indian Basin Upper Penn Assoc.

PROSPECT: Big Walt

EXPLORATORY, DEVELOPMENT, WORKOVER: D

DESCRIPTION OF WORK: Drill and complete as a pumping Cisco/Canyon oil producer.

DATE PREPARED: 9/23/93

EST. SPUD DATE: OOB 12/31/93

EST. COMPLETION DATE: 2/15/94

ACCOUNTING WELL NUMBER: 535036

COMMUNICATIONS ACCOUNT NUMBER: 5036

<b>INTANGIBLE COSTS:</b>	<b>CODE</b>	<b>TO CSG PT</b>	<b>CODE</b>	<b>COMPLETION</b>	<b>TOTAL WELL</b>
Drilling Footage 8,100 Ft @ 18.00 \$/Ft	1514.101	145,800	NA		145,800
Drilling Daywork D/C\$/day 3 2 4500	1514.105	13,500	1515.105	9,000	22,500
Drilling Turnkey	1514.110		1515.110		0
Rig Mobilization and Demobilization	1514.115		1515.115		0
Road & Location Expense	1514.120	50,000	1515.123	1,000	51,000
Damages	1514.125	5,000	1515.125		5,000
Directional Drilling - Tools and Service	1514.130		1515.130		0
Drilling Fluids	1514.135	16,000	NA		16,000
Fuel, Power, and Water	1514.140	12,000	1515.140	1,500	13,500
Supplies - Bits	1514.145		1515.145	750	750
Supplies - Casing Equipment	1514.150	1,200	1515.150	4,600	5,800
Supplies - Liner Equipment	1514.155		1515.155		0
Supplies - Miscellaneous	1514.160	500	1515.160	500	1,000
Cement and Cmt. Services - Surface Csg	1514.165	12,000	NA		12,000
Cement and Cmt. Services - Int. Csg	1514.170		NA		0
Cement and Cmt. Services - Prod. Csg	NA		1515.172	20,000	20,000
Cement and Cmt. Services - Other	1514.175		1515.175		0
Rental - Drilling Tools and Equipment	1514.180	500	1515.180	1,000	1,500
Rental - Miscellaneous	1514.185	4,000	1515.185	1,000	5,000
Testing - Drill Stem / Production	1514.195	9,000	1515.195		9,000
Open Hole Logging	1514.200	25,000	NA		25,000
Mudlogging Services	1514.210	7,500	NA		7,500
Special Services	1514.190		1515.190		0
Plug and Abandon	1514.215	10,000	1515.215	(10,000)	0
Pulling and/or Swabbing Unit	NA		1515.217	12,000	12,000
Reverse Equipment	NA		1515.219	1,100	1,100
Wireline Services	1514.205		1515.205	5,000	5,000
Stimulation	NA		1515.221	20,000	20,000
Pump / Vacuum Truck Services	1514.220	1,000	1515.220	1,000	2,000
Transportation	1514.225	1,500	1515.225	2,000	3,500
Tubular Goods - Inspection & Testing	1514.230	500	1515.230	6,000	6,500
Unclassified	1514.245		1515.245		0
Telephone and Radio Expense	1514.240	1,000	1515.240	500	1,500
Engineer / Geologist	1514.250	3,150	1515.250	900	4,050
Company Labor - Field Supervision	1514.255	11,250	1515.255	4,500	15,750
Contract Labor / Roustabout	1514.265	500	1515.265	7,000	7,500
Legal and Professional Services	1514.270	5,000	1515.270	500	5,500
Insurance	1514.275	10,000	1515.275		10,000
Overhead	1514.280	5,000	1515.280	2,000	7,000
<b>SUBTOTAL</b>		350,900		91,850	442,750
Contingencies (10%)		35,090		9,185	44,275
<b>ESTIMATED TOTAL INTANGIBLES</b>		385,990		101,035	487,025



**Nearburg Producing Company**

Exploration and Production

Dallas, Texas

Page 2 of 2

**AUTHORITY FOR EXPENDITURE**

LEASE: Big Walt State 2 WELL NUMBER: 2 PROPOSED TOTAL DEPTH: 8,100'  
LOCATION: 1980' FEL & 1650' FSL, Section 2, T22S, R24E, Eddy County, New Mexico  
FIELD: Indian Basin Upper Penn Assoc. PROSPECT: Big Walt EXPLORATORY, DEVELOPMENT, WORKOVER: D  
DESCRIPTION OF WORK: Drill and complete as a pumping Cisco/Canyon oil producer.

DATE PREPARED: 9/23/93 EST. SPUD DATE: OOB 12/31/93 EST. COMPLETION DATE: 2/15/94  
ACCOUNTING WELL NUMBER: 535036  
COMMUNICATIONS ACCOUNT NUMBER: 5036

<b>TANGIBLE COSTS:</b>	<b>CODE</b>	<b>TO CSG PT</b>	<b>CODE</b>	<b>COMPLETION</b>	<b>TOTAL WELL</b>
Conductor Casing	1522.305		NA		0
Surface Csg 1,300 Ft @ 17.41 \$/Ft	1522.310	22,633	NA		22,633
Intermediate Csg Ft @ \$/Ft	1522.315	0	NA		0
Protection Csg	1522.320	0	NA		
Production Csg 8,100 Ft @ 12.50 \$/Ft	NA		1522.325	101,250	101,250
Protection Liner	1522.330		NA		
Production Liner	NA		1522.335		
Tubing 8,000 Ft @ 3.10 \$/Ft	NA		1522.340	24,800	24,800
Rods Ft @ \$/Ft	NA		1522.345	0	0
Artificial Lift Equipment	NA		1522.350	80,000	80,000
Tank Battery	NA		1522.355	15,000	15,000
Separators/Heater Treater/Gas Units/FWKO	NA		1522.360	10,000	10,000
Well Head Equipment & Christmas Tree	1522.365	1,500	1522.365	10,500	12,000
Subsurface Well Equipment	NA		1522.370		0
Flow Lines	NA		1522.375	7,500	7,500
Saltwater Disposal Pump	NA		1522.380		0
Gas Meter	NA		1522.385	3,000	3,000
Lact Unit	NA		1522.387		0
Vapor Recovery Unit	NA		1522.389		0
Other Well Equipment	NA		1522.390		
ROW and Damages	NA		1522.393		
Surface Equipment Installation Costs	NA		1522.395	10,000	10,000
Elect. Installation	NA		1522.397	25,000	25,000
<b>ESTIMATED TOTAL TANGIBLES</b>		24,133		287,050	311,183
<b>ESTIMATED TOTAL WELL COSTS</b>		410,123		388,085	798,208

APPROVAL OF THIS AFE CONSTITUTES APPROVAL OF THE OPERATOR'S OPTION TO CHARGE THE JOINT ACCOUNT WITH TUBULAR GOODS FROM OPERATOR'S WAREHOUSE STOCK AT THE RATES STATED ABOVE, OR LESS, UNLESS THE NON-OPERATOR GIVES NOTIFICATION ON THIS FORM OF HIS INTENT TO FURNISH HIS PROPORTIONATE SHARE IN KIND. THIS AFE IS ONLY AN ESTIMATE. BY SIGNING YOU AGREE TO PAY YOUR SHARE OF THE ACTUAL COSTS INCURRED.

<b>NPC APPROVAL</b>	<b>DATE</b>
PREPARED BY: ESK/TRM	9/23/93
REVIEWED BY: TRM	9/23/93
APPROVED BY:	

Date: 11-15-93

YATES PETROLEUM CORPORATION 18.569025%

By: Frank Yates Jr.  
Attorney-In-Fact

MYCO INDUSTRIES, INC. 9.284512%

By: Frank Yates Jr.  
Attorney-In-Fact

YATES DRILLING COMPANY

9.284512%

By: R. Yates  
Attorney-In-Fact

ABO PETROLEUM CORPORATION

9.284512%

By: John A. Yates  
Attorney-In-Fact

EXHIBIT "A"  
GEOLOGICAL REQUIREMENTS

Mr. Brent May  
Yates Petroleum Corporation  
105 South Fourth Street  
Artesia, New Mexico 88210  
(505) 748-1471 (Office)  
(505) 746-3304 (Home)

Mr. John McRae  
(505) 748-2785 (Home)

Mr. Ray Beck  
(505) 748-2565 (Home)

I. Notification

- A. You shall immediately notify the above company representative (or alternate) by telephone, at your expense, sufficiently in advance of the following events in order that a representative of the company may be present to witness same:
1. Spudding of any test well hereunder,
  2. All drill stem or other test of said well,
  3. Logging or other downhole surveys,
  4. Any coring operations,
  5. Any plugging operations,
- B. You shall, at your expense, furnish us current progress reports on said well with full information thereon each day by telephone. This requirement may be waived and well progress report may be mailed daily when practicable.

II. Other Requirements:

- A. Unless waived by us, you shall run:
1. A dual laterolog, dual induction or equivalent saturation log.
  2. And a compensated neutron-formation density or equivalent porosity log.
- B. You shall furnish us the following data and information:
1. Two copies of field prints and two copies of final prints of all electric logs or other downhole surveys run in said well; this includes dipmeter logs and any derivative logs such as "Coriband" or "Saraband" or equivalent survey analysis.
  2. One copy of digital log data on 3 1/2" diskette - LAS Format
  3. Two copies of all drill stem test reports,
  4. Two copies of all core analysis reports,
  5. One copy of all fluid analysis reports,
  6. One copy of the preliminary mud log sheets and one copy of the final mud log,
  7. One copy of any paleontological report,
  8. One copy of any geological report,
  9. One copy of the sample description,
  10. One copy of the drilling time,
  11. One copy of all government reports,
  12. One copy of production reports for sixty (60) days after completion of the well.
- C. One set of representative samples to be filed with Midland Sample Cut.

**Nearburg Producing Company**

---

Exploration and Production  
3300 North "A" Street  
Suite 8100  
Midland, Texas 79705  
915/686-8235  
Fax 915/686-7806

November 16, 1993

**FAXED & MAILED**

*Case 10788*

Mr. Randy Patterson  
Yates Petroleum Corporation  
Yates Drilling Company  
Abo Petroleum Corporation  
Myco Industries, Inc.  
105 South Fourth Street  
Artesia, NM 88210

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**


Re: Big Walt 2 State #2 Well  
Eddy County, New Mexico  
M-II Area

Dear Mr. Patterson:

Pursuant to our letter and AFE dated September 23, 1993, whereby Nearburg Producing Company requested that you join in the drilling of the captioned well, please be advised that under NMOCD Order No. R-9964, any non-consenting working interest owner had thirty (30) days after receipt of an AFE in which to pay its share of estimated well costs and elect to participate in said well. The return receipt of our certified proposal letter indicates a receipt date of September 24, 1993. The expiration of said thirty (30) day election period was October 24, 1993. Since you did not respond within the 30-day period, Yates Petroleum Corporation et al is hereby considered non-consent under this well, and your checks received by Nearburg Producing Company on November 16, 1993, for estimated wells costs are returned herewith.

Thank you for your cooperation.

Yours very truly,

  
Bob Shelton  
Consulting Landman

BS:kg

**Nearburg Producing Company**

Exploration and Production  
3300 North "A" Street  
Suite 8100  
Midland, Texas 79705  
915/686-8235  
Fax 915/686-7806

*Case 10788*

November 19, 1993

Mr. Randy Patterson  
Yates Petroleum Corporation  
Yates Drilling Company  
Abo Petroleum Corporation  
Myco Industries, Inc.  
105 South Fourth Street  
Artesia, NM 88210

*2 1993*

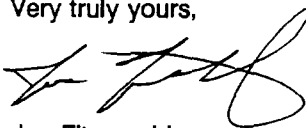
Re: Big Walt 2 State #2 Well  
Eddy County, New Mexico

Dear Mr. Patterson:

In response to your November 18, 1993 letter, please be advised Nearburg Producing Company is abiding by the New Mexico Oil Conservation Division Order No. R-9964 in its pursuit of drilling the captioned well. You stated in your November 18, 1993 letter Nearburg is "attempting to disallow" your right to participate in the subject well. As stated in Mr. Shelton's letter of November 16, 1993 (a copy of which is enclosed), the Order required you to notify Nearburg of your election within thirty (30) days of receipt of our AFE for the subject well, such date being October 24, 1993. Per said Order, not responding by such date deemed your election non-consent. Subsequently, from that date Nearburg has accepted the risk for drilling this well 100%, and we expect Yates Petroleum Corporation, et al to abide by the New Mexico Oil Conservation Division Order No. R-9964.

Thank you for your cooperation.

Very truly yours,



Joe Fitzgerald  
Senior Landman

xc: New Mexico Oil Conservation Division  
Attention: Mr. Bill LeMay  
P. O. Box 1148  
Santa Fe, New Mexico 87504  
Re: NMOCD Order No. R-9964, Lease No. V-2766

New Mexico State Land Office  
Attention: Mr. Floyd Prando  
P. O. Box 1148  
Santa Fe, New Mexico 87504  
Re: NMOCD Order No. R-9964, Lease No. V-2766

**Nearburg Producing Company**

---

Exploration and Production  
3300 North "A" Street  
Suite 8100  
Midland, Texas 79705  
915/686-8235  
Fax 915/686-7806

**FAXED & MAILED**

November 16, 1993

Mr. Randy Patterson  
Yates Petroleum Corporation  
Yates Drilling Company  
Abo Petroleum Corporation  
Myco Industries, Inc.  
105 South Fourth Street  
Artesia, NM 88210

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED


Re: Big Walt 2 State #2 Well  
Eddy County, New Mexico  
M-II Area

Dear Mr. Patterson:

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Thank you for your cooperation.

Yours very truly,

  
Bob Shelton  
Consulting Landman

BS:kg

# HINKLE, COX, EATON, COFFIELD & HENSLEY

LEWIS C. COX  
PAUL W. EATON  
CONRAD E. COFFIELD  
HAROLD L. HENSLEY, JR.  
STUART D. SHANOR  
ERIC D. LANPHERE  
C. D. MARTIN  
ROBERT P. TINNIN, JR.  
MARSHALL G. MARTIN  
OWEN M. LOPEZ  
DOUGLAS L. LUNSFORD  
JOHN J. KELLY  
NICHOLAS J. NOEDING  
T. CALDER EZZELL, JR.  
WILLIAM B. BURFORD\*  
RICHARD E. OLSON  
RICHARD R. WILFONG\*  
THOMAS J. MCBRIDE  
JAMES J. WECHSLER  
NANCY S. CUSACK  
JEFFREY L. FORNACIARI  
JEFFREY D. HEWETT  
JAMES BRUCE  
JERRY F. SHACKELFORD\*  
JEFFREY W. HELLBERG\*  
ALBERT L. PITTS  
THOMAS M. HNASKO  
JOHN C. CHAMBERS\*  
GARY D. COMPTON\*  
MICHAEL A. GROSS  
THOMAS D. HAINES, JR.  
GREGORY J. NIBERT  
DAVID T. MARKETTE\*

MARK C. DOW  
FRED W. SCHWENDIMANN  
JAMES M. HUDSON  
JEFFREY S. BAIRD\*  
REBECCA NICHOLS JOHNSON  
WILLIAM P. JOHNSON  
STANLEY K. KOTOVSKY, JR.  
H. R. THOMAS  
ELLEN S. CASEY  
MARGARET CARTER LUDEWIG  
CHRISTOPHER M. MOODY  
S. BARRY PAISNER  
MARTIN MEYERS  
GREGORY S. WHEELER  
ANDREW J. CLOUTIER  
JAMES A. GILLESPIE  
GARY W. LARSON  
STEPHANIE J. ANDRY  
JOHN R. KULSETH, JR.  
MARGARET R. MCNETT  
LISA K. SMITH\*  
ROBERT H. BETHEA\*  
BRADLEY W. HOWARD  
NORMAN D. EWART  
DARREN T. GROCE\*  
MOLLY MCINTOSH  
MARCIA B. LINCOLN  
SCOTT A. SHUART\*  
DARREN L. BROOKS  
PAUL G. NASON  
DARLA M. SILVA

## ATTORNEYS AT LAW

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\*NOT LICENSED IN NEW MEXICO

November 23, 1993

William J. LeMay  
Oil Conservation Division  
310 Old Santa Fe Trail  
Santa Fe, New Mexico 87503

Re: Order No. R-9964 (Application of Nearburg Producing  
Company for Compulsory Pooling, Eddy County, New Mexico)

Dear Mr. LeMay:

The above Order contains a drilling commencement date of January 1, 1994. Due to the appeal of this case by Yates Petroleum Corporation, Nearburg Producing Company hereby requests that the commencement date be stayed, or in the alternative extended 90 days, pending the outcome of the appeal *de novo*.

I have contacted Ernest Carroll, the attorney for Yates Petroleum Corporation, and Yates opposes this request. However, Nearburg asserts that it is unfair for Yates to oppose this request while proceeding with an appeal, and therefore urges the granting of this request.

Very truly yours,

HINKLE, COX, EATON, COFFIELD  
& HENSLEY

  
James Bruce

c: Robert Shelton  
Ernest L. Carroll, Esq.

**VIA HAND DELIVERY**

JGB5\93L86.c

AM 11-23-93  
Wait for Bill

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LOSEE, CARSON, HAAS & CARROLL, P. A.

300 YATES PETROLEUM BUILDING

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A. J. LOSEE

MARY LYNN BOGLE

November 30, 1993

Case 10788

**VIA FACSIMILE AND FIRST CLASS MAIL**

Mr. William J. LeMay, Director  
New Mexico Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Re: Order No. R-9964 (Application of Nearburg  
Producing Company for Compulsory Pooling,  
Eddy County, New Mexico)

Dear Mr. LeMay:

We have received notice that Nearburg Producing Company is seeking a stay or in the alternative an extension of the January 1, 1994, commencement date contained in the referenced order. Please be advised that Yates Petroleum Corporation strenuously opposes any extension of the commencement date contained in said order.

Yates has advised Nearburg that Yates would be willing to drop its appeal if it received reasonable assurance that Nearburg would spud the well in compliance with the commencement date in Order No. R-9964 with a rig capable of testing the Cisco-Canyon formation and further that Nearburg recognize Yates' right to participate in the drilling of the well.

Yates has been forced into such a position for several reasons. First, Nearburg has refused to recognize Yates' right to participate in the well, and has returned the checks sent to Nearburg for the estimated well costs. Copies of Nearburg's correspondence dated 11-16-93 and 11-19-93 setting forth that position are attached hereto. The monies returned to Yates by Nearburg have been placed in escrow for the benefit of Nearburg. Nearburg has been so advised and the escrow documents are available and can be furnished to the NMOCD upon request.

Second, Yates' lease in the southwest quarter of Section 2 expires on December 1, 1993. Yates has begun operation on its well approved in OCD Order No. R-9965. Yates' well is authorized only for the Morrow formation. Testimony elicited at the hearing indicated that both companies considered the Cisco Canyon to be the primary objective.

William J. LeMay  
November 30, 1993  
Page Two

Failure to require Nearburg to spud its well could possibly allow Nearburg to cause a situation wherein Yates could be harmed substantially through the loss of its lease.

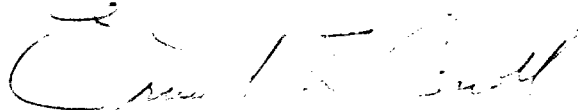
Yates is ready, willing and able to drill a well to test both the Cisco Canyon and Morrow formations and has already begun expenditures consistent therewith. Nearburg has not made any significant expenditures on its well and yet is refusing to recognize Yates' right to participate in it. Further, Nearburg is taking action to delay the spudding of its well, which delay could result in a loss to Yates of its lease if production is not obtained quickly.

Yates' filing for a de novo hearing is not cause for a delay to be granted Nearburg. The threat of a de novo hearing which Yates is more than willing to relinquish is the only means that it has to protect its investment and rights in its lease on the SW/4 of Section 2.

Yates respectfully requests that Nearburg's application for extension be denied.

Very truly yours,

LOSEE, CARSON, HAAS & CARROLL, P.A.

A handwritten signature in dark ink, appearing to read "Ernest L. Carroll", written over a horizontal line.

Ernest L. Carroll

ELC:kth

xc: Mr. James G. Bruce  
Mr. Randy Patterson





STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING  
GOVERNOR

December 3, 1993

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SANTA FE, NEW MEXICO 87504  
(505) 827-5800

ANITA LOCKWOOD  
CABINET SECRETARY

Nearburg Producing Company  
c/o Hinkle, Cox, Eaton, Coffield & Hensley  
218 Montezuma  
P. O. Box 2068  
Santa Fe, New Mexico 87504-2068

Attention: Mr. James Bruce

Yates Petroleum Corporation  
c/o Losee, Carson, Haas & Carroll, P.A.  
300 Yates Petroleum Building  
P. O. Drawer 239  
Artesia, New Mexico 88211-0239

Attention: Mr. Ernest L. Carroll

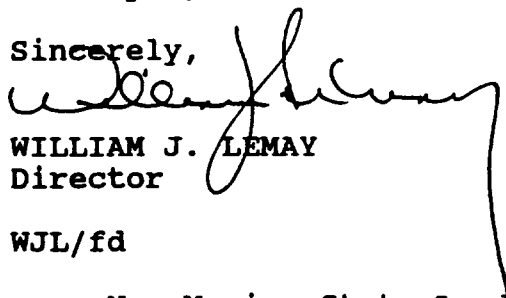
Re: Order No. R-9964 (Application of  
Nearburg Producing Company for  
Compulsory Pooling, Eddy County,  
New Mexico)

Gentlemen:

This is in answer to your letters of October 19, November 23, and November 30, 1993, requesting a de novo hearing and extensions of the dates required for compliance with the above order.

The requested hearing will be scheduled for January 13, 1994. Since agreement among the parties still appears possible, the January 1, 1994 commencement date will not be stayed or extended.

Sincerely,

  
WILLIAM J. LEMAY  
Director

WJL/fd

cc: New Mexico State Land Office  
Attention: Mr. Floyd Prando  
P. O. Box 1148  
Santa Fe, New Mexico 87504



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



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POST OFFICE BOX 2088  
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SANTA FE, NEW MEXICO 87504  
(505) 827-3800

December 14, 1993

Nearburg Producing Company  
c/o James Bruce  
Hinkle, Cox, Eaton, Coffield  
& Hensley  
218 Montezuma  
Santa Fe, New Mexico 87501

**RE: Order No. R-9964**

Dear Mr. Bruce:

Based upon your letter of December 7, 1993, and discussions with the parties, my letter of December 3, 1993 is withdrawn. In accordance with the provisions of the above order, Nearburg Producing Company is hereby granted until February 1, 1994 in which to begin the well on the unit pooled by said order.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. LeMay". The signature is written in a cursive, flowing style with a long horizontal line extending to the right.

William J. LeMay  
Director

WJL/sl

cc: Randy Patterson, Yates Petroleum  
Case 10788 File

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\*NOT LICENSED IN NEW MEXICO

January 11, 1994

## HAND DELIVERED

William J. LeMay  
Oil Conservation Division  
State Land Office Building  
Santa Fe, New Mexico 87501

JAN 11 1994

Re: De Novo Cases 10788, 10790, and 10823

Dear Mr. LeMay:

I believe Nearburg and Yates have reached an agreement to (a) dismiss Case 10790 (the Yates case), and (b) in Case 10788, stipulate that Yates has timely elected to voluntarily join in Nearburg's well in the E $\frac{1}{2}$  of Section 2. If Mr. Carroll and I can sign an appropriate letter agreement, we will request that an order be entered in Case 10788 pending the parties' approval of an operating agreement.

Nearburg also requests that Case 10823 be continued for one month. I hope that the parties can resolve this case later. However, Yates has not yet agreed to the continuance.

Very truly yours,

HINKLE, COX, EATON,  
COFFIELD & HENSLEY

  
James Bruce

JB:jr

cc: Ernest Carroll VIA FACSIMILE TRANSMISSION

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\*NOT LICENSED IN NEW MEXICO

January 18, 1994

## HAND DELIVERED

JAN 18 1994

William J. LeMay  
Oil Conservation Division  
State Land Office Building  
Santa Fe, New Mexico 87501

Re: **Case No. 10788 (de novo)**  
**Order No. R-9964**

Dear Mr. LeMay:

At the hearing on January 13, 1994, Nearburg Producing Company stipulated that Yates Petroleum Corp. (and its related companies) have timely elected to join in the Nearburg well. Under the order, and your letter of December 14, 1993, the well must be commenced by February 1, 1994.

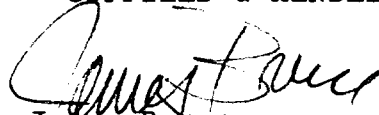
As discussed at the hearing, Nearburg hereby requests that the commencement deadline be extended to March 1, 1994. Because settlement among the parties was not reached until the day before the hearing, Nearburg was not able to solicit bids on drilling rigs until the end of the last week. Nearburg began soliciting bids for site work and drilling contractors on January 14, 1994, and will continue to proceed with its efforts to drill the well as soon as possible. Randy Patterson of Yates has been contacted by Robert Shelton of Nearburg and notified of the well commencement status.

Therefore, Nearburg respectfully requests the commencement deadline be extended to March 1, 1994.

Mr. William LeMay  
January 18, 1994  
Page 2

Very truly yours,

HINKLE, COX, EATON,  
COFFIELD & HENSLEY



James Bruce

JB:jr

cc: Ernest Carroll VIA FACSIMILE TRANSMISSION  
Robert Shelton

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\*NOT LICENSED IN NEW MEXICO

January 19, 1994

**HAND DELIVERED**

William LeMay  
Oil Conservation Division  
State Land Office Building  
Santa Fe, New Mexico 87501

JAN 19 1994

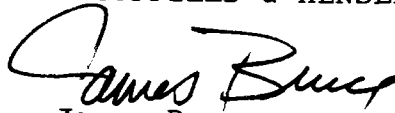
Re: **Case No. 10788 (Yates/Nearburg)**

Dear Mr. LeMay:

This will confirm our discussion this morning that, if an extension is granted, Nearburg will share the cost of Yates' spudder after February 1, 1994 on a working interest basis.

Very truly yours,

HINKLE, COX, EATON,  
COFFIELD & HENSLEY

  
James Bruce

JB:jr

RECEIVED  
OIL CONSERVATION DIVISION

LAW OFFICES

LOSEE, CARSON, HAAS & CARROLL, P. A.

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January 19, 1994

**VIA FACSIMILE AND FIRST CLASS MAIL**

Mr. William LeMay  
Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87504

Re: Case No. 10788 (de novo); Order No. R-9964

Dear Mr. LeMay:


I am in receipt of James Bruce's letter of January 18, 1994, on behalf of Nearburg Producing company.

As the Commission was advised at the hearing on January 13, 1994, Yates Petroleum Corporation opposes any extension of the commencement deadline for the Nearburg well. The reason for that opposition, which has remained unchanged, is that in order to prevent the Yates' lease from expiring, Yates was forced to build a location and place a cable tool rig on it. Yates first gave notice to Nearburg on November 15, 1993, that it would join it under the forced pooling order, which was prior to the expiration date of Yates' lease and when it began operations thereunder.

Nothing contained in Mr. Bruce's letter indicated that the need for any extension of the commencement date was for reasons other than Nearburg's preferences. Therefore, should the Commission agree to extend the commencement deadline to march 1, 1994, Yates requests that all of its costs incurred in placing a cable tool rig on the lease in the southeast quarter of Section 2, Township 22 South, Range 24 East should be included as part of the costs of drilling Nearburg's Big Walt "2" State Well No. 2, with each of the parties paying their respective part thereof.

Very truly yours,

LOSEE, CARSON, HAAS & CARROLL, P.A.

  
Ernest L. Carroll

ELC:kth

xc: Mr. Jim Bruce  
Mr. Randy Patterson



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



BRUCE KING  
GOVERNOR

ANITA LOCKWOOD  
CABINET SECRETARY

January 20, 1994

POST OFFICE BOX 2088  
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(505) 827-5800

Mr. James Bruce  
Hinkle, Cox, Eaton,  
Coffield & Hensley  
Attorneys at Law  
Post Office Box 2068  
Santa Fe, New Mexico 87504-2068

Re: Case No. 10788 (De Novo)  
Order No. R-9964

Dear Mr. Bruce:

Your request for an extension to March 1, 1994, for the drilling of the well in the subject case, is hereby granted. All of the costs incurred by the cable tool operation on Yates' lease in the southeast quarter of Section 2, Township 22 South, Range 24 East, from February 1, 1994 through March 1, 1994, shall be included in the costs of drilling the Nearburg Producing Company Big Walt "2" State Well No. 2 with each of the parties paying their respective part thereof.

Sincerely,

A handwritten signature in cursive script, appearing to read "William J. Lemay".

WILLIAM J. LEMAY  
Director

fd/

cc: Mr. Ernest Carroll





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

February 10, 1994

HINKLE, COX, EATON,  
COFFIELD & HENSLEY  
Attorneys at Law  
P. O. Box 2068  
Santa Fe, New Mexico 87501

RE: CASE NOS. 10788 and 10790  
ORDER NOS. R-9964-A and R-9965-A

Dear Sir:

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

Sincerely,

A handwritten signature in cursive script that reads "Sally E. Martinez".

Sally E. Martinez  
Administrative Secretary

cc: BLM - Carlsbad  
Steve Keene  
Ernest Carroll

**Nearburg Producing Company**

Exploration and Production  
3300 North "A" Street  
~~Suite 8100~~ Building 2, Suite 120  
Midland, Texas 79705  
915/686-8235  
Fax 915/686-7806

*Catamach*

July 14, 1994

*DK*  
*Case file - 10788*

Mr. William J. LeMay  
State of New Mexico  
Oil Conservation Division  
P. O. Box 1148  
Santa Fe, New Mexico 87504

Re: Big Walt 2 State #2 Well;  
Section 2, T-22-S, R-24-E;  
Eddy County, New Mexico  
OCD Case #10788; Order R-9964  
Big Walt Prospect

Dear Mr. LeMay:

Pursuant to Order R-9964, page 6, item 5., Nearburg Producing Company, the operator of the Big Walt 2 State #2 well, hereby files with the OCD a final accounting of all actual well costs incurred with respect to said well. This final accounting has been furnished to each working interest owner in said well.

We appreciate your cooperation and if you require any additional information, please so advise.

Yours very truly,



Bob Shelton  
Consulting Landman

BS:kg

Enclosure

# JOINT INTEREST BILLING

Herrmanns Address

P.O. Box 84214  
Dallas, Texas 75284

DATE NAME DATE INVOICE NO PAGE  
66/30/91  
108 91200  
185

DESCRIPTION	VENDOR	REFERENCE	AMOUNT
BCP IDC (O/S)	8514		
DRILLING FOOTAGE	101		
DRILLING RIG FOOTAGE &	PETERSON DRILLING C	60028-1	149968.62
DRILLING DAYWORK	TOTAL	*****	149968.62
	105		
DRILLING RIG FOOTAGE &	PETERSON DRILLING C	60028-1	16425.56
ROAD & LOCATION EXPENSE	TOTAL	*****	16425.56
	120		
SURVEY	GASKIN SURVEYING CO	1631	360.40
PIT LINER, HAY, TRASH TR	GLOBE CONSTRUCTION	294-018	40032.05
	MAD-A-BAC INC	2208	2673.27
	GREGORY RANCH		3000.01
DRILLING FLUID	TOTAL	*****	46065.73
	135		
DRILLING MUD CHEMICALS	HORIZON MUD COMPANY	4951	5681.34
BRINE F/MUD	SCURLOCK PERMIAN CO	04-06476	611.77
BRINE F/MUD	SCURLOCK PERMIAN CO	04-06479	611.77
BRINE F/MUD	SCURLOCK PERMIAN CO	04-06482	455.21
FUEL, POWER, AND WATER	TOTAL	*****	7360.09
	140		
HAUL DISPOSAL WATER F/W	SCURLOCK PERMIAN CO	02-06047	528.57
PULL OIL OFF RESERVE	SCURLOCK PERMIAN CO	03-06205	300.38
WATER F/RIB	SCURLOCK PERMIAN CO	04-06475	4799.40
RIG WATER	SCURLOCK PERMIAN CO	04-06477	7431.07
WATER F/RIG	SCURLOCK PERMIAN CO	04-06478	1799.78
RIG WATER	SCURLOCK PERMIAN CO	04-06480	239.97
WATER F/RIG	SCURLOCK PERMIAN CO	04-06481	1559.81
WATER	SCURLOCK PERMIAN CO	02-06049	151.56
WATER	SCURLOCK PERMIAN CO	03-06204	159.45
SUPPLIES - CASING EQUIPMENT	TOTAL	*****	16969.99
	150		
9 5/8" TX PATTERN SHOE	NEARBURG PRODUCING	MT701-G	323.40
SUPPLIES - MISCELLANEOUS	TOTAL	*****	323.40
	160		
SUPPLIES F/WATER LINE	MILFORD PIPE & SUPP	H2441-IN	174.05
REYNOLDS BROS			41.96
REYNOLDS BROS			13.15
REYNOLDS BROS			322.00
CEM & CEM. SERV. SURFACE CSG.	TOTAL	*****	551.16
	165		
SURFACE CSG CEMENT	DOWELL-SCHLUMBERGER	05-13-70	11893.82
	SOUTHEAST READY MIX	039494	721.44
CEM & CEM SERVICES - OTHER	TOTAL	*****	12615.26
	175		
	SOUTHEAST READY MIX	039425	897.73
RENTAL - MISCELLANEOUS	SOUTHEAST READY MIX	039426	589.40
	TOTAL	*****	1487.13
	185		
H2S SAFETY EQUIPMENT	INDIAN FIRE AND SAF	A2825	799.29
	TOTAL	*****	799.29

Exploration and Production  
214 739-1778 FAX 214 739-4819P.O. Box 842424  
Dallas, Texas 75284-2424

## JOINT INTEREST BILLING

LEASE NO.	LEASE NAME	DATE	INVOICE NO.	PAGE
35036	BIG WALT 2 STATE #2	06/30/94		1
WELL		ID# 91200		

185

DESCRIPTION	VENDOR	REFERENCE	AMOUNT
CP IDC (D/S)	8514		
DRILLING FOOTAGE	101		
DRILLING RIG FOOTAGE &	PETERSON DRILLING C	60028-1	149968.62
DRILLING DAYWORK	TOTAL	*****	149968.62
	105		
DRILLING RIG FOOTAGE &	PETERSON DRILLING C	60028-1	16425.56
ROAD & LOCATION EXPENSE	TOTAL	*****	16425.56
	120		
SURVEY	GASKIN SURVEYING CO	1631	360.40
PIT LINER, HAY, TRASH TR	GLOBE CONSTRUCTION	294-018	40032.05
	MAD-A-BAC INC.	2208	2673.27
	GREGORY RANCH		3000.01
DRILLING FLUID	TOTAL	*****	46065.73
	135		
DRILLING MUD CHEMICALS	HORIZON MUD COMPANY	4951	5681.34
BRINE F/MUD	SCURLOCK PERMIAN CO	04-06476	611.77
BRINE F/MUD	SCURLOCK PERMIAN CO	04-06479	611.77
BRINE F/MUD	SCURLOCK PERMIAN CO	04-06482	455.21
FUEL, POWER, AND WATER	TOTAL	*****	7360.09
	140		
HAUL DISPOSAL WATER F/W	SCURLOCK PERMIAN CO	02-06047	528.57
FULL OIL OFF RESERVE	SCURLOCK PERMIAN CO	03-06205	300.38
WATER F/RIG	SCURLOCK PERMIAN CO	04-06475	4799.40
RIG WATER	SCURLOCK PERMIAN CO	04-06477	7431.07
WATER F/RIG	SCURLOCK PERMIAN CO	04-06478	1799.78
RIG WATER	SCURLOCK PERMIAN CO	04-06480	239.97
WATER F/RIG	SCURLOCK PERMIAN CO	04-06481	1559.81
WATER	SCURLOCK PERMIAN CO	02-06049	151.56
WATER	SCURLOCK PERMIAN CO	03-06204	159.45
SUPPLIES - CASING EQUIPMENT	TOTAL	*****	16969.99
	150		
9 5/8" TX PATTERN SHOE	NEARBURG PRODUCING	MT701-G	323.40
SUPPLIES - MISCELLANEOUS	TOTAL	*****	323.40
	160		
SUPPLIES F/WATER LINE	MILFORD PIPE & SUPP	H2441-IN	174.05
REYNOLDS BROS			41.96
REYNOLDS BROS			13.15
REYNOLDS BROS			322.00
CEM & CEM. SERV. SURFACE CSG.	TOTAL	*****	551.16
	165		
SURFACE CSG CEMENT	DOWELL-SCHLUMBERGER	05-13-70	11893.82
	SOUTHEAST READY MIX	039494	721.44
CEM & CEM SERVICES - OTHER	TOTAL	*****	12615.26
	175		
	SOUTHEAST READY MIX	039425	897.73
RENTAL - MISCELLANEOUS	SOUTHEAST READY MIX	039426	589.40
	TOTAL	*****	1487.13
	185		
H2S SAFETY EQUIPMENT	INDIAN FIRE AND SAF	A2825	799.29
	TOTAL	*****	799.29

DESCRIPTION	VENDOR	REFERENCE	AMOUNT
TESTING-DRILL STEM/PRODUCTION 195			
DST TEST	BAKER OIL TOOLS	TH 76461	3641.10
	TOTAL	*****	3641.10
OPEN HOLE LOGGING	200		
FORMATION EVALUATION	HALLIBURTON SERVICE	642082	6862.37
FORMATION EVALUATION	HALLIBURTON SERVICE	641449	12095.92
	TOTAL	*****	18958.29
MUDLOGGING SERVICES	210		
MOVE-IN MUDLOG TRAILER	NEARBURG PRODUCING		300.00
MOVE-OFF MUDLOG TRAILER	NEARBURG PRODUCING		300.00
3/94 TIME - MUDLOG TRAI	NEARBURG PRODUCING		9000.00
	TOTAL	*****	9600.00
TRANSPORTATION	225		
	20TH CENTURY PIPE	01490	496.78
	TOTAL	*****	496.78
TELEPHONE AND RADIO EXPENSE	240		
	LEACD CELLULAR, INC	369-7356	18.73
	TOTAL	*****	18.73
ENGINEER/GEOLOGIST/LANDMAN	250		
HONEYMAN 3/94			1009.09
2/94 TIME - B ARRANT	BRYAN G ARRANT	2/94 EXP	91.40
	NEARBURG PRODUCING		288.76
3/94 TIME - E S KIMBROU	E. SCOTT KIMBROUGH	3/94 EXP	41.92
3/94 TIME - T MACDONALD	NEARBURG PRODUCING		179.01
	NEARBURG PRODUCING		664.01
	TOTAL	*****	2274.19
COMP. LABOR-FIELD SUPERVISION	255		
7/93 TIME - H WILLIS			463.50
3/94 TIME - E S KIMBROU	NEARBURG PRODUCING		716.00
3/94 TIME - H R WILLIS	NEARBURG PRODUCING		5857.50
	NEARBURG PRODUCING	3/94 PHO	314.08
1/94 TIME - H R WILLIS	NEARBURG PRODUCING		825.01
11/93 TIME - H R WILLIS	NEARBURG PRODUCING		231.74
2/94 TIME - E GELWICK	NEARBURG PRODUCING		296.00
2/94 TIME - H R WILLIS	NEARBURG PRODUCING		4702.50
	NEARBURG PRODUCING	1/94 PHO	20.57
	NEARBURG PRODUCING	2/94 PHO	48.32
	HERBERT WILLIS	11/93 EX	102.60
	HERBERT WILLIS	2/94 EXP	801.21
	TOTAL	*****	14379.03
CONTRACT LABOR/ROUSTABOUT	265		
CUT & WELD ON 9 5/8 WEL	B-M SERVICE COMPANY	184205	466.15
CUT HOLE IN CONDUCTOR/C	SUPERIOR WELDING SE	009791	500.99
	SUPERIOR WELDING SE	010475	143.14
	TOTAL	*****	1110.28
TITLE OPINION	272		
DIVISION ORDER TITLE OP	SCHUTZ ABSTRACT CO.	6126	462.19
	CURRIER ABSTRACT CO	V-2678	75.00
	TOTAL	*****	537.19
INSURANCE	275		
	C-O-W IN		3157.00
	LIABILIT		7175.99

DESCRIPTION	VENDOR	REFERENCE	AMOUNT
OVERHEAD	TOTAL 280	*****	10332.99
	NEARBURG PRODUCING	2/94 DRL	404.22
	NEARBURG PRODUCING	3/94 DRL	4563.88
	TOTAL	*****	4968.10
	TOTAL MAJOR 8514	*****	318882.91
CP IDC (O/S)	8515		
DRILLING DAYWORK	105		
DRILLING RIG FOOTAGE & ROAD & LOCATION EXPENSE	PETERSON DRILLING C TOTAL 123	60028-1 *****	4238.88 4238.88
	RATHOLES, INC.	4079	932.00
	BACKHOE SERVICES	5210	520.99
	TOTAL	*****	1452.99
SUPPLIES - CASING EQUIPMENT	150		
PROD CSG EQUIP	WEATHERFORD GEMOCO	3428494	4732.08
	TOTAL	*****	4732.08
SUPPLIES - MISCELLANEOUS	160		
MAG MOUNT ANTENNA REYNOLDS BROS	PCI COMMUNICATIONS	366936	37.10
	TOTAL	*****	368.85
CEM AND CEM SERV.-PROD CASING	172		405.95
BOND-COAT 7" CSG PROD CEMENT	BOND-COAT, INC DOWELL-SCHLUMBERGER	0394-31 05-13-71	1303.37 9352.74
	TOTAL	*****	10656.11
RENTAL - DRLG TOOLS AND EQUIP	180		
RETRIEVABLE TOOL SERVIC	HALLIBURTON SERVICE	498663	1954.19
	TOTAL	*****	1954.19
SPECIAL SERVICES	195		
REDUCE FOR BAKER TOOL C	PETERSON DRILLING C	DEDUCTIO	985.00CR
	JOHN WEST ENGINEERI	94-14-06	3863.49
	TOTAL	*****	2878.49
WIRELINE SERVICES	205		
TEMPERATURE SURVEY	KELTIC SERVICES	403026	462.46
	APOLLO PERFORATORS,	19564	2038.69
	HALLIBURTON SERVICE	642037	4090.61
	TOTAL	*****	6591.76
PULLING AND/OR SWABBING UNIT	217		
	XPERT WELL SERVICE	11513	8383.65
	TOTAL	*****	8383.65
REVERSE EQUIPMENT	219		
	CHANCE TOOL CO., IN	2436	3677.14
	TOTAL	*****	3677.14
PUMP/VACUUM TRUCK SERVICES	220		
	JIM'S WATER SERVICE	067399	660.44
	SONNY'S OILFIELD SE	CR5777	646.68
	SONNY'S OILFIELD SE	CR5983	230.95

DESCRIPTION	VENDOR	REFERENCE	AMOUNT
HAUL FRSH WTR W/KCL	SONNY'S OILFIELD SE	CB6008	1145.21
	SONNY'S OILFIELD SE	CB6148	527.22
	I W INC.	53057	428.89
	TOTAL	*****	3639.39
STIMULATION	221		
ACIDIZE FORMATION	HALLIBURTON SERVICE	640142	877.12
	HALLIBURTON SERVICE	498583	6535.00
	TOTAL	*****	7412.12
TRANSPORTATION	225		
LOAD OUT CASING	E.L. FARMER & COMPA	12-00574	150.34
HAULING 7" CSG	20TH CENTURY PIPE	01521	1894.50
HAULING 7" CSG	20TH CENTURY PIPE	01532	185.14
MOVE EXCESS DRILL PIPE	SIMS FORKLIFTS	1029	515.73
	E.L. FARMER & COMPA	12-00757	768.43
	TOTAL	*****	3514.14
TUBULAR GOODS-INSPECT. & TEST	230		
DRIFTS F/7" & 9 5/8" CS	B & B MACHINE SHOP,	32057	513.89
	HYDRO-TEST HYDROSTA	020291	1529.45
7" INSPECTION PIPE DOPE	CURLEY'S INSPECTION	66587	1448.54
	TOTAL	*****	3491.88
TELEPHONE AND RADIO EXPENSE	240		
	AT&T	019-056-	5.26
	TOTAL	*****	5.26
ENGINEER/GEOLOGIST/LANDMAN	250		
3/94 TIME - E S KIMBROU	E. SCOTT KIMBROUGH,	3/94 EXP	159.20
3/94 TIME - J ELGER	NEARBURG PRODUCING		716.00
HONEYMAN 4/94	NEARBURG PRODUCING		333.00
SHELTON 5/1-17/94			1154.61
	TOTAL	*****	157.50
CO. LABOR - FIELD SUPERVISION	255		2520.31
3/22/94-3/26/94 EXPENSE	EDDIE J. GELWICK	3/22-3/2	488.60
	HERBERT WILLIS	3/94 EXP	918.20
	KEN BILLINGS	3/94 EXP	438.58
3/94 TIME - E GELWICK	NEARBURG PRODUCING		1184.00
3/94 TIME - K BILLINGS	NEARBURG PRODUCING		2360.00
	HERBERT WILLIS	4/94 EXP	177.20
	TOMMY WILLYARD	4/94 EXP	726.80
4/94 TIME - H R WILLIS	NEARBURG PRODUCING		495.00
4/94 TIME - T WILLYARD	NEARBURG PRODUCING		2304.00
	NEARBURG PRODUCING	4/94 PHD	175.98
	HERBERT WILLIS	5/94 EXP	93.60
5/94 TIME - H R WILLIS	NEARBURG PRODUCING		165.00
	NEARBURG PRODUCING	5/94 PHD	3.52
	EDDIE J. GELWICK	2/14-2/1	238.22
	TOTAL	*****	9768.70
CONTRACT LABOR/ROUSTABOUT	265		
CSG CREW F/7" CSG	20TH CENTURY PIPE	01520	216.17
P.V. MACHINE 7" CSG	BULL ROGERS, INC.	394-27	2262.88
BUILT LINES/TIE-IN WELL	BULL ROGERS, INC.	394-27LD	735.43
BUILD STANDS FOR METER	CUSTOM WELDING	020625	373.12
TIED FLOWLINE INTO MAIN	CUSTOM WELDING	020652	139.66
	CUSTOM WELDING	020653	407.04
	FANNIE LEE MITCHELL	96825	2072.62
	SOUTHEAST READY MIX	23822	223.47

DESCRIPTION	VENDOR	REFERENCE	AMOUNT
	B & B OIL FIELD SER	683	685.84
	B & B OIL FIELD SER	684	312.89
	B & B OIL FIELD SER	685	961.45
	B & B OIL FIELD SER	686	890.24
	B & B OIL FIELD SER	687	854.63
	B & B OIL FIELD SER	688	854.63
FINAL CUT & BOLT DN WEL	COTTON'S RECORDER S	5779	662.06
INITIAL CUT DN 5" TACK P	SUPERIOR WELDING SE	010698	236.81
	COTTON'S RECORDER S	5778	437.26
	SUPERIOR WELDING SE	010568	143.14
OVERHEAD	TOTAL	*****	12469.34
	280		
	NEARBURG PRODUCING	4/94 COM	3395.53
	TOTAL	*****	3395.53
	TOTAL MAJOR	8515	*****
			91187.91
BCP WELL TANGIBLES (O/S)	8520		
SURFACE CASING	310		
9-5/8" CSG 36# K-55 ST&	NEARBURG PRODUCING	MT699-G	22474.57
9-5/8" CSG 40# L-80 LT&	NEARBURG PRODUCING	MT699-G	6322.81
	TOTAL	*****	28797.38
WELL HEAD EQUIP/CHRISTMAS TRE	365		
9-5/8" CSG HEAD	NEARBURG PRODUCING	MT717-G	1457.02
	TOTAL	*****	1457.02
	TOTAL MAJOR	8520	*****
			30254.40
ACP WELL TANGIBLES (O/S)	8522		
PRODUCTION CASING	325		
7" CSG 23 # K-55 LT&C	NEARBURG PRODUCING	MT707-G	27830.14
7" CSG 23 # N-80 LT&C	NEARBURG PRODUCING	MT707-G	18737.54
7" CSG 26 # K-55 LT&C	NEARBURG PRODUCING	MT707-G	17545.14
7" CSG 26 # K-55 LT&C	NEARBURG PRODUCING	MT707-G	14702.96
7" CSG 26 # N-80 LT&C	NEARBURG PRODUCING	MT707-G	1089.07
7" CSG 26# N-80 BT&C	NEARBURG PRODUCING	MT707-G	16032.05
	TOTAL	*****	95936.90
TUBING	340		
2-3/8" TBG 4.70# N-80	NEARBURG PRODUCING	MT711-G	25163.34
	TOTAL	*****	25163.34
TANK BATTERY	355		
210BBL FIBERGLASS TNK	NEARBURG PRODUCING	MT714-G	1500.00
210BBL STEEL TNK	NEARBURG PRODUCING	MT714-G	1650.00
	REDMAN PIPE & SUPPL	32-70583	705.66
	TOTAL	*****	3855.66
SEP./HEAT.TREAT/GAS UNIT/FWWD	360		
SIVALLS STACK-PAK 1440#	NEARBURG PRODUCING	MT714-G	5500.00
	TOTAL	*****	5500.00
WELLHEAD EQUIP/CHRISTMAS TREE	365		
	2-1/16 MANUMATIC SAFETY	AJAX REPAIR & SUPPL	010392
2" CHDKE	NEARBURG PRODUCING	MT714-G	238.80
	NEARBURG PRODUCING	MT714-G	2000.00
			850.00



DESCRIPTION	VENDOR	REFERENCE	AMOUNT
TBG HEAD & XMAS TREE	NEARBURG PRODUCING	MT717-G	10141.90
	WILSON SUPPLY COMPA	777352	454.28
	TOTAL	*****	13684.98
FLOW LINES	375		
2-7/8" TBG 6.50# J-55	NEARBURG PRODUCING	MT713-G	4910.40
2-3/8" LINE PIPE TBG	NEARBURG PRODUCING	MT714-G	400.00
	TOTAL	*****	5310.40
GAS METERING EQUIPMENT	385		
2" MTR RUN W/RECORDER	NEARBURG PRODUCING	MT714-G	2100.00
	TOTAL	*****	2100.00
	TOTAL MAJOR 8522	*****	151551.28
YOUR DECIMAL - .092785130			
TOTAL WELL CHARGES			591876.50