

R 36 E

R 37 E

MTS &
ESTORIL

MTS

MTS & ESTORIL

6

(ASHMUN, ETAL)
HENDERSON

13,790'/59

ESTORIL
O I-1

MTS

"ANDERSON"

MTS

ESTORIL, ETAL

MTS

3874

● I-6

11,750'/86

"ANDERSON"

"ANDERSON"

"ANDERSON"

MTS &
ESTORIL, ETAL

ESTORIL

MOBIL, MTS
& ESTORIL

● I

"CHRISTMAS"

7

AMERICA COMETRA,
ET AL

12
AMERICA COMETRA,
ET AL

"STATE"

(BLANKS ENERGY)

● I-7

11,560'

"STATE"

EXHIBIT _____

PLAT SHOWING OFFSET OPERATORS
TO THE

ESTORIL, NO. I-1 ANDERSON

LOCATED 2300' FSL & 1100' FEL

SECTION I, T-16-S, R-36-E

LEA COUNTY, NEW MEXICO

BEFORE EXAMINER STOGNER
OIL CONSERVATION DIVISION

ESTORIL EXHIBIT NO. 1

CASE NO. 9153



ESTORIL PRODUCING CORPORATION
PRODUCERS OF OIL & GAS
SINCE 1918

400 W. ILLINOIS, SUITE 1600
INDEPENDENCE PLAZA

MIDLAND, TEXAS 79701
USA

915 683-6101

FLYNT CHANCELLOR
VICE PRESIDENT

CERTIFIED/RETURN RECEIPT REQUESTED

May 27, 1987

Texaco, Inc.
Post Office Box 3109
Midland, Texas 79702

Attention: Mr. Curtis D. Smith

Re: Dean Prospect
Anderson #1-1
2300' FSL & 1100' FEL of
Section 1, T-16-S, R-36-E
Lea County, New Mexico

Dear Curtis:

Estoril proposes to drill an 11,750 foot Strawn test well at the location shown above. Enclosed you will find two (2) copies of an Operating Agreement and two (2) copies of our A.F.E. covering this well.

We have a location exception and force pooling hearing scheduled for June 17, 1987. If we have your decision on this matter prior to that date, we can dismiss the force pooling.

Should you have any questions concerning this please advise.

Very truly yours,

ESTORIL PRODUCING CORPORATION

Flynt Chancellor
Flynt Chancellor

FC:be

Enclosures

BCC: Tom Kellahin
Sun Exploration - Attn: Linda Guerrero and Doug Noah
Joe Foran

BEFORE EXAMINER STOGNER	
OIL CONSERVATION DIVISION	
ESTORIL	EXHIBIT NO. 2
CASE NO.	9153

P 186 301 186

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

PS Form 3800, Feb. 1982

U.S.G.P.O. 1984-446-014

Sent to Texaco, Inc.	
Street and No. Post Office Box 3109	
P.O. State and ZIP Code Midland, Texas 79702	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to whom and Date Delivered	
Return receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date 5-27-87/Anderson #1-1/ QM000	

PS Form 3811, July 1983 447-845

SENDER: Complete items 1, 2, 3 and 4 MAY 28

Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for service(s) requested.

1. ☐ Show to whom, date and address of delivery.

2. ☒ Restricted Delivery
Anderson #1-1/QM000

3. Article Addressed to:
Mr. Curtis D. Smith
Texaco, Inc.
Post Office Box 3109
Midland, Texas 79702

4. Type of Service:	Article Number
<input type="checkbox"/> Registered <input type="checkbox"/> Insured	P 186301186
<input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD	
<input type="checkbox"/> Express Mail	

Always obtain signature of addressee or agent and
DATE DELIVERED.

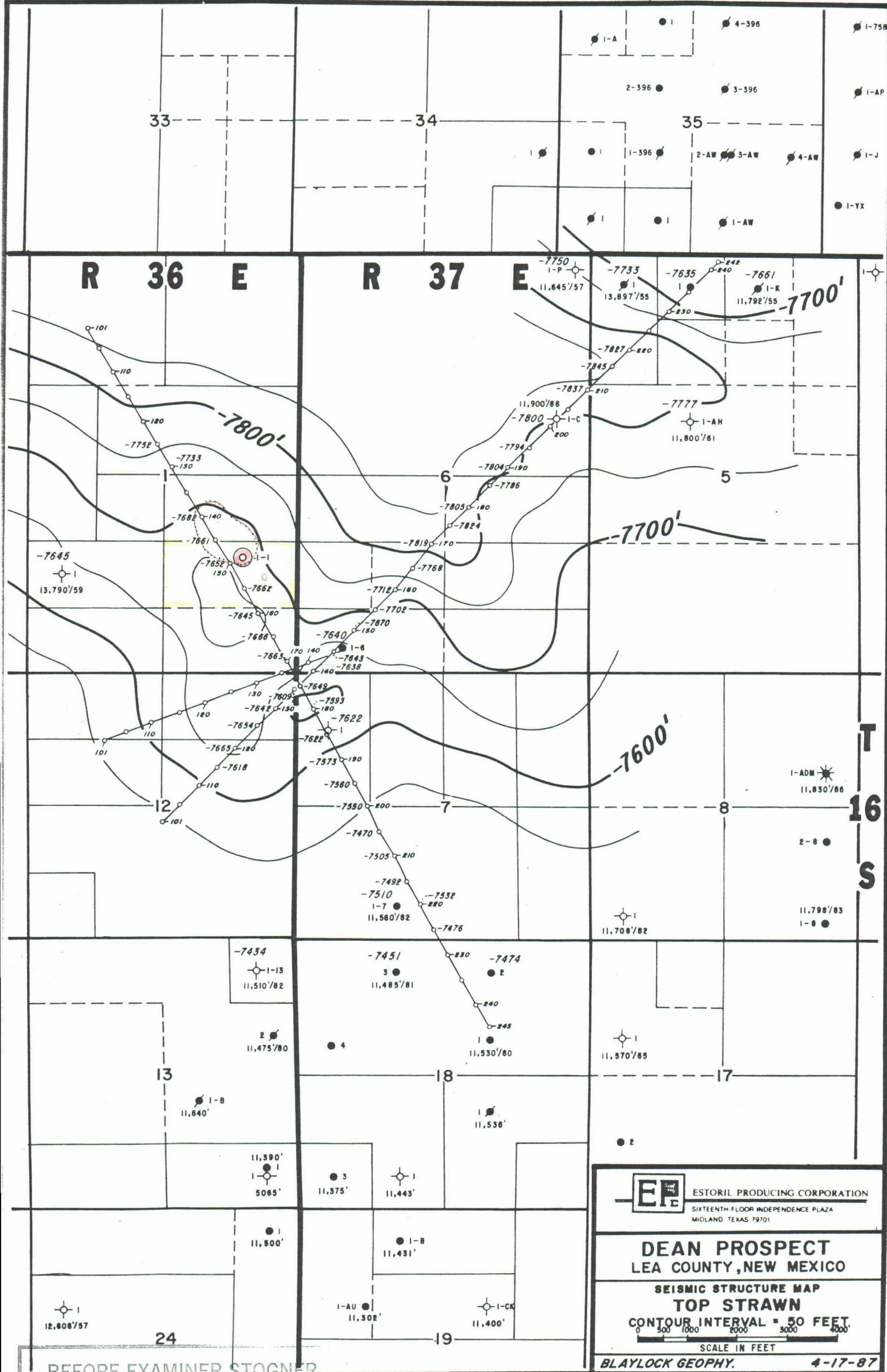
5. Signature - Addressee
X

6. Signature - Agent
X *[Signature]*

7. Date of Delivery
5-29-87 mm

8. Addressee's Address (ONLY if requested and fee paid)

DOMESTIC RETURN RECEIPT



EP ESTORIL PRODUCING CORPORATION
SIXTEENTH FLOOR INDEPENDENCE PLAZA
MIDLAND TEXAS 79701

DEAN PROSPECT
LEA COUNTY, NEW MEXICO

SEISMIC STRUCTURE MAP
TOP STRAWN
CONTOUR INTERVAL = 50 FEET

0 500 1000 2000 3000 4000
SCALE IN FEET

BLAYLOCK GEOPHY. 4-17-87

OIL CONSERVATION DIVISION
ESTORIL EXHIBIT NO. **3**
CASE NO. **9153**

ESTORIL PRODUCING CORPORATION

SIXTEENTH FLOOR INDEPENDENCE PLAZA MIDLAND, TEXAS 79701 (A. C. 915) 683-6101

AUTHORITY FOR EXPENDITURE

Lease: Anderson '1' Well: 1 County: Lea State: New Mexico

Location: 2300' FSL & 1100' FEL 1-16S-36E Proposed Depth: 11,750

Prospect: Dean Formation: Strawn ☐ Exploratory ☒ Development

Date: May 26, 1987 Estimated Spud Date: July 1, 1987 Est. Completion Date: August 10, 1987

TANGIBLE COST				
Code	Description	Drill	Complete	Total
131-0013	1. Casing:			
	a) ' Cond. " @ \$			
131-0001	b) 360' ' Surf. 13 3/8" @ \$ 11.50	4,140		4,140
131-0002	c) 4400' ' Inter. 8 5/8" @ \$ 8.90	39,160		39,160
	d) ' Inter. " @ \$			
	e) ' Inter. " @ \$			
131-0003	f) 11750' ' Oil St. 5 1/2" @ \$ 6.00		70,500	70,500
131-0004	2. Tubing 11,000' 2 3/8" @ \$ 2.00		22,000	22,000
131-0006	3. Well head, pump equipment	4,500	3,500	8,000
131-0007	4. Treater, separator, tanks complete		18,000	18,000
131-0008	5. Flow lines		2,000	2,000
131-0009	6. Fittings, attachments		2,000	2,000
131-0019	7. Down hole equipment, rods packer		3,000	3,000
131-0020	8. Electrification			
	Total Tangibles	47,800	121,000	168,800
INTANGIBLE COST				
133-0001	9. Surveying	750		750
133-0002	10. Roads, location, tank grading	14,500	1,500	16,000
133-0003	11. Damages, permits, right of way	3,300		3,300
133-0004	12. Contract drilling 11,750' @ \$ 12.00	141,000		141,000
133-0005	13. Drilling 3 Days work @ \$ 4,200	8,400	4,200	12,600
133-0006	14. Bits & reamers			
133-0007	15. Cement & services - Cond. & surface	2,900		2,900
133-0008	16. Cement & services - Inter. casing	8,300		8,300
133-0009	17. Cement & services - Oil string		7,000	7,000
133-0010	18. Drilling fluids inc. oil & water	25,000	1,000	26,000
133-0011	19. Drill stem testing 1 tests @ \$2,800	2,800		2,800
133-0012	20. Coring & analysis			
133-0013	21. Pit liner	2,000		2,000
133-0014	22. Electric log	16,000		16,000
133-0015	23. Perforating		2,500	2,500
133-0016	24. Acidizing & fracturing		4,500	4,500
133-0017	25. Pulling units (swab & workover)		7,500	7,500
133-0019	26. Equipment rental & casing crews	11,000	2,500	13,500
133-0020	27. Trucking - incl. rig move	1,700	3,500	5,200
133-0021	28. Taxes	2,800	4,800	7,600
133-0022	29. Geology & mud logger	5,500		5,500
133-0023	30. Engineering	1,500	1,200	2,700
133-0024	31. Supervision	9,500	8,500	18,000
133-0027	32. Rig fuel			
133-0028	33. Welding	1,000	1,000	2,000
133-0029	34. Wire line work			
133-0031	35. Supplies	500	4,500	5,000
133-0032	36. Labor & roustabout	1,500	7,000	8,500
133-0034	37. Centralizers, liners, packers			
133-0035	38. Testing		2,000	2,000
133-0037	39. Treating			
133-0044	40. Pipe inspection			
	Total Intangibles	259,950	63,200	323,150
133-0025	41. Contingencies 5 %	13,000	3,160	16,160
	Total Intangibles + Contingencies	272,950	66,360	339,310
	TOTAL	320,750	187,360	508,110

133-0018 - Plug & Abandon if Dry Hole + 16,000
Less Salvage - 2,000
Total Dry Hole Cost 334,750

AGREED AND ACCEPTED:

Company:

By:

BEFORE EXAMINER STOGNER

OIL CONSERVATION DIVISION

ESTORIL EXHIBIT NO. 5

CASE NO. 9153

PREPARED BY:

APPROVED BY:

Cliff Quader
Flynt Chancellor

KELLAHIN, KELLAHIN AND AUBREY

Attorneys at Law

W. Thomas Kellahin
Karen Aubrey

El Patio - 117 North Guadalupe

Post Office Box 2265

Santa Fe, New Mexico 87504-2265

Telephone 982-4285
Area Code 505

Jason Kellahin
Of Counsel

May 26, 1987

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

"Hand Delivered"

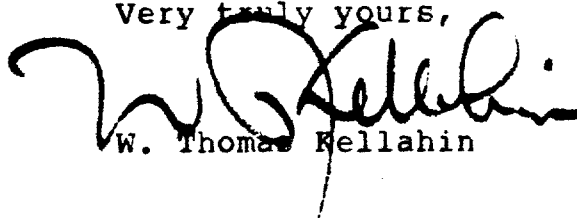
Re: Estoril Producing Corporation
Application for Compulsory Pooling
and Unorthodox Location
Section 1, T16S, R36E, NMPM
Lea County, New Mexico

Dear Mr. LeMay:

On behalf of Estoril Producing Corporation, we would appreciate you setting the enclosed application for a public hearing on the Division's Examiner docket now scheduled for June 17, 1987.

By copy of this letter to all parties to be pooled, we are notifying them by certified mail-return receipt, that they have the right to appear at the hearing, to make a statement to the Division, to present evidence and cross-examine witnesses either in support of or in opposition to the application. Those parties are directed to contact the Division or the applicant's attorney to determine what additional rights they may have. In addition, they are advised that the entry of a compulsory pooling order will affect their rights to share in the production from the subject well.

Very truly yours,



W. Thomas Kellahin

WTK:ca
Enc.

cc: All parties listed in application - Certified Mail
Estorial Producing Corp. (Flynt Chancellor)

BEFORE EXAMINER STOCHNER	
OIL CONSERVATION DIVISION	
ESTORIL	EXHIBIT NO. 6
CASE NO.	9153

PS Form 3811, July 1983 447-045

SENDER: Complete items 1, 2, 3 and 4.

Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Check appropriate fee and check box(es) for services requested.

1. ☒ Return to sender, date and address of delivery.

2. ☐ Registered Delivery.

3. Article addressed to: **WILL CAMPBELL**
WILLIAMSENHEIMER COURT
HOUSTON, TEXAS 77056

4. ☐ Insured ☐ COD ☐ P 131 003 899

5. Signature of addressee or agent

6. Signature - Agent

7. Date of Delivery

8. Addressee's Address (ONLY if requested and fee paid)

Estoril Producing June 17, 1987

PS Form 3811, July 1983 447-045

SENDER: Complete items 1, 2, 3 and 4.

Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Check appropriate fee and check box(es) for services requested.

1. ☒ Return to sender, date and address of delivery.

2. ☐ Registered Delivery.

3. Article addressed to: **TEXACO, INC.**
500 N. LORRAINE
ATLANTA, TEXAS 79701

4. ☐ Insured ☐ COD ☐ P 131 003 371

5. Signature of addressee or agent

6. Signature - Agent

7. Date of Delivery

8. Addressee's Address (ONLY if requested and fee paid)

Estoril Producing June 17, 1987

PS Form 3811, July 1983 447-045

SENDER: Complete items 1, 2, 3 and 4.

Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Check appropriate fee and check box(es) for services requested.

1. ☒ Return to sender, date and address of delivery.

2. ☐ Registered Delivery.

3. Article addressed to: **68161 SEXAL COLLINSWAY**
6002 BOX O.P.
PLEASE RETURN TO:
68161 SEXAL COLLINSWAY

4. ☐ Insured ☐ COD ☐ P 131 003 371

5. Signature of addressee or agent

6. Signature - Agent

7. Date of Delivery

8. Addressee's Address (ONLY if requested and fee paid)

Estoril Producing June 17, 1987

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY AND MINERALS
OIL CONSERVATION DIVISION

RECEIVED

MAY 27 1987

OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION
OF ESTORIL PRODUCING CORPORATION,
FOR COMPULSORY POOLING AND
UNORTHODOX LOCATION
LEA COUNTY, NEW MEXICO.

CASE:

A P P L I C A T I O N

COMES NOW ESTORIL PRODUCING CORPORATION, by and through its attorneys, Kellahin, Kellahin & Aubrey and in accordance with Section 70-2-17(c) NMSA (1978) applies to the New Mexico Oil Conservation Division for an order pooling all mineral interests in the Northeast Lovington Penn Pool, Lea County, New Mexico, underlying the N/2SE/4 of Section 1, T16S, R36E, NMPM, for the formation of an 80-acre spacing and proration unit for its well which will be drilled at an Unorthodox Location 2300' FSL and 1100' FEL, and in support thereof would show the Division:

1. Applicant has obtained the voluntary consent of 75% of the working interests underlying the N/2SE/4 of Section 1, T16S, R36E, Lea County, New Mexico authorizing applicant to drill the subject well.

2. Applicant has drilled a well at a unorthodox location 2300' FSL and 1100' FEL of Section 1 to a total depth of 11,750 feet for production in the Strawn Formation.

3. Applicant has sought either voluntary agreement for pooling or farmout from the remaining 25% of the other mineral or working interest owners in the N/2SE/4 but has been unable to obtain a voluntary agreement as listed on Exhibit A attached hereto and incorporated herein.

4. Pursuant to Division notice requirements, applicant has notified all the parties shown on Exhibit A of this application for compulsory pooling and the applicant's request for a hearing before the Division to be set on June 17, 1987.

5. All the offsetting operators that may have an interest in the unorthodox well location are shown on Exhibit B.

6. In order to obtain its just and equitable share of the potential production underlying the above tract, applicant needs an order pooling the mineral interests involved in order to protect applicant's correlative rights and prevent waste.

WHEREFORE, applicant prays that this application be set for hearing before the Division's duly appointed examiner, and that after notice and hearing as required

by law, the Division enter its order pooling the mineral interest described herein. Applicant further prays that it be named operator of the well, and that the order make provisions for applicant to recover out of production its costs of drilling the subject well at an unorthodox location, completing and equipping it, costs of operation, including costs of supervision and a risk factor in the amount of 200% for the drilling of the well, for such other and further relief as may be proper.

Respectfully submitted,



By W. Thomas Kellahin
W. Thomas Kellahin
Kellahin, Kellahin & Aubrey
P. O. Box 2265
Santa Fe, New Mexico 87504

(505) 982-4285

EXHIBIT "A"

Texaco, Inc.
500 N. Lorraine
Midland, Texas 79701

EXHIBIT "B"

Texaco, Inc.
500 N. Lorraine
Midland, Texas 79701

Mesa Operating Limited Partnership
P. O. Box 2009
Amarillo, Texas 79189
Attn: Mark Seale

Sequoia Petroleum Inc.
5400 Wisenhemmer Court
Houston, Texas 77056
Attn: Wil Campbell

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 9052
Order No. R-8382

APPLICATION OF ESTORIL PRODUCING
CORPORATION FOR COMPULSORY POOLING,
NON-STANDARD OIL PRORATION UNIT, AND
AN UNORTHODOX OIL WELL LOCATION, LEA
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on December 17, 1986, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 31st day of December, 1986, 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, Estoril Producing Corporation, seeks an order pooling all mineral interests from the surface to the base of the Northeast Lovington-Pennsylvanian Pool underlying Lots 1 and 2 of Section 7, Township 16 South, Range 37 East, NMPM, Lea County, New Mexico, forming a non-standard 102.82-acre spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing.
- (3) At the time of the hearing the Northeast Lovington-Pennsylvanian Pool is the only horizon underlying said unit with 80-acre spacing. Division Order No. R-3816, as amended, promulgated special rules in said pool providing for 80-acre spacing units and for well locations to be within 150 feet from the center of either quarter-quarter section in the unit.

Before Examiner Stogner
OIL CONSERVATION DIVISION
Exhibit No. 7
Case No. 9153

(4) The non-standard proration unit is necessitated due to said Section 7 being an irregular section.

(5) The applicant further seeks approval for an unorthodox oil well location 1200 feet from the North line and 600 feet from the West line of said Section 7 to be dedicated to said non-standard proration unit.

(6) The applicant has a right to drill a well within the above-described non-standard proration unit.

(7) A well at the above-described unorthodox location will better enable the applicant to produce the oil underlying the proration unit.

(8) No offset operator objected to the proposed unorthodox location.

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

(10) To avoid the drilling of unnecessary wells, to protect correlative rights, to avoid 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 in any pool completion resulting from this order, the subject application should be approved by pooling all mineral interests, whatever they may be, within said unit.

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

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

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

(14) 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.

(15) Following determination of reasonable well costs, any non-consenting working interest owner who has paid his 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.

(16) \$5,500.00 per month while drilling and \$550.00 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.

(17) 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.

(18) 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 March 31, 1987, the order pooling said unit should become null and void and of no effect whatsoever.

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

(20) The operator of the well and unit shall notify the Director of the Division in writing of the subsequent voluntary agreement of all parties subject to the forced 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 Northeast Lovington-Pennsylvanian Pool underlying Lots 1 and 2 of Section 7, Township 16 South, Range 37 East, NMPM, Lea County, New Mexico, are hereby pooled to form a non-standard 102.82-acre spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing to be dedicated to a well to be drilled at an unorthodox oil well location 1200 feet from the North line and 600 feet from the West line of said Section 7.

PROVIDED HOWEVER THAT, the operator of said unit shall commence the drilling of said well on or before the 31st day of March, 1987, and shall thereafter continue the drilling of said well with due diligence to a depth sufficient to test the Northeast Lovington-Pennsylvanian Pool;

PROVIDED FURTHER THAT, in the event said operator does not commence the drilling of said well on or before the 31st day of March, 1987, Ordering 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 Ordering Paragraph No. (1) of this order should not be rescinded.

(2) Estoril Producing Corporation 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 his share of estimated 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 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 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 the 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 his share of estimated costs in advance as provided above

shall pay to the operator his pro rata share of the amount that reasonable well costs exceed estimated well costs and shall receive from the operator his 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 his share of estimated well costs within 30 days from the date the schedule of estimated well costs is furnished to him.
- (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 estimated well costs within 30 days from the date the schedule of estimated well costs is furnished to him.

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

(9) \$5,500.00 per month while drilling and \$550.00 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.

(10) Any unsevered 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 the subject well which are not disbursed for any reason shall immediately 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.

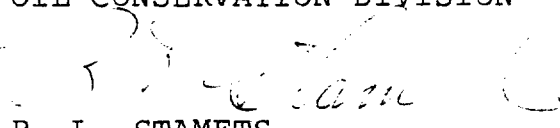
(13) Should all parties to this forced pooling reach voluntary agreement subsequent to entry of this order, this order shall thereafter be of no further effect.

(14) The operator of the well and unit shall notify the Director of the Division in writing of the subsequent voluntary agreement of all parties subject to the forced 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


R. L. STAMETS
Director

S E A L

fd/