STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

February 11, 1988

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

Re: CASE NO. 9307
ORDER NO. R-8601

Applicant:

Marshall & Winston, Inc.

Mr. Jeffrey L. Keim, Landman
Marshall & Winston, Inc.
310 West Tower
10 Desta Drive
Midland, Texas 79705

Dear Sir:

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

Sincerely,

Florene Davidson

FLORENE DAVIDSON
OC Staff Specialist

Copy of order also sent to:

Hobbs OCD x
Artesia OCD x
Aztec OCD ____

Other ____

AC 915 684-6373

MARSHALL & WINSTON, INC.
310 WEST TOWER
10 DESTA DRIVE
MIDLAND, TEXAS 79705

RECEIVED
MAY 18 1988
OIL CONSERVATION DIVISION
SANTA FE

May 16, 1988

State of New Mexico
Energy and Minerals Department
Oil Conservation Division
P. O. Box 1088
Santa Fe, New Mexico 87501

Re: Case No. 9307, Order No. R-8601
Marshall & Winston, Inc. - McNeill "A" #1
Township 21 South, Range 38 East
Section 6: Lot 12 (Unit L)
Lea County, New Mexico

Gentlemen:

Reference is herein made to that certain Order of the Division dated February 2, 1988 covering the above referenced acreage.

Under the terms of that Order, we are enclosing a Lease Well Expense Report dated May 2, 1988 covering actual well costs of the McNeill "A" #1 well.

Should you require anything further, please advise.

Very truly yours,

MARSHALL & WINSTON, INC.

Jeffrey L. Keim
Landman

JLK:glh

Enclosure

MARSHALL & WINSTON INC.

L E A S E   W E L L   E X P E N S E   R E P O R T

LEASE: 422740 MC NEILL A #1

PHASE WELL	G/L ACCT NUMBER	DATE	VENDOR NUMBER	VENDOR NAME	INVOICE NUMBER	ITEM DESCRIPTION	NET AMOUNT
LEASEHOLD COSTS							
	315-000	02/88	RA410	JOHN W RAHLFS	800G2343	WEL PLUGING BOND FOR ST OF NM	100.00
				315-000 LEASE BONDS		ACCOUNT PERIOD TOTAL:	100.00 *
			TOTAL FOR LEASEHOLD COSTS			PERIOD TOTAL:	100.00 **
						BALANCE BROUGHT FORWARD	.00 **
						INCEPTION TO DATE:	100.00 **
INTANGIBLE DEVELOPMENT COSTS							
	321-000	01/88	MC614	R.D.MCNEIL TR.	885077	ROAD & LOC. DAMAGES	6,763.03
	321-000	01/88	NE952	NEW-MEX CON.INC	1695	#1 - BUILD PAD	553.74
	321-000	01/88	NE952	NEW-MEX CON.INC	1638	#1-BUILD PAD & ROAD,DIG CELLAR	11,617.21
	321-000	02/88	BA605	BANTA OIFLD INC	18036	FENCED PIT	723.46
	321-000	02/88	WA577	WALLCH CONC.INC	14925	3 YDS GRAVEL	117.78
	321-000	02/88	WE771	JOHN WEST ENGIN	128787	#1 - STAKE LOCATION	505.50
				321-000 LOCATION & ROADS		ACCOUNT PERIOD TOTAL:	20,280.72 *
	322-000	01/88	J0255	JO-DON DRILLING	0276	#1 - DRLG MUD	3,751.19
	322-000	01/88	J0255	JO-DON DRILLING	0274	#1 - DRILLING MUD	368.50
	322-000	01/88	XA003	X L TRANSPORTAT	88960	#1 - BRINE	2,699.78
	322-000	01/88	XA003	X L TRANSPORTAT	88961	#1 - FRESH WATER	2,594.38
	322-000	01/88	J0255	JO-DON DRILLING	0278	#1 - DRLG MUD	3,341.97
	322-000	01/88	PE764	THE PERMIAN COR	013386	OIL FOR DRILLING MUD	1,814.81
	322-000	01/88	PE806	PETRO THERMO CO	33318	#1 - HAUL WATER	118.35
	322-000	01/88	J0255	JO-DON DRILLING	0272	#1 - DRILLING MUD	2,461.41
	322-000	02/88	XA003	X L TRANSPORTAT	89014	#1 - FRESH WATER	1,178.78
	322-000	02/88	J0255	JO-DON DRILLING	CM0172	DRILLING MUD	2,046.96-
	322-000	02/88	J0255	JO-DON DRILLING	0282	DRILLING MUD	4,904.89
	322-000	02/88	J0255	JO-DON DRILLING	0283	DRILLING MUD	3,333.75
	322-000	02/88	J0255	JO-DON DRILLING	CM0173	DRILLING MUD	4,258.09-
	322-000	02/88	XA003	X L TRANSPORTAT	ADJCR2/88	FRESH WATER	1,028.51
				322-000 DRILLING FLUIDS		ACCOUNT PERIOD TOTAL:	21,291.47 *
	324-000	01/88	PE806	PETRO THERMO CO	33343	#1 - 60 BBLS POTABLE WATER	100.11
	324-000	01/88	MA605	MAN WELDING SER	1397	#1 - CUT OFF 8-5/8" CSG	117.46
	324-000	01/88	BA605	BANTA OIFLD INC	17918	#1 - INSTALL PIT LINER	1,239.21
	324-000	01/88	MA605	MAN WELDING SER	1400	#1 - WELD 14" CONDUCTOR PIPE	190.88
	324-000	01/88	D0964	DOWNING WELLHEA	01880000	#1 - CSG HEAD	1,048.75
	324-000	01/88	UN430	UNION SUPPLY CO	269893	#1 - SAMPLE BAGS	102.19
	324-000	01/88	AC272	ACT TRANS.INC.	22-0008032	#1 - HAULING	133.70
	324-000	02/88	MA605	MAN WELDING SER	1503	#1 - CUT 5-1/2" CSG	176.19
	324-000	02/88	WI637	WINTERHAWK,INC.	W0080188	CONSULTANT	5,960.00
	324-000	02/88	WI637	WINTERHAWK,INC.	W0181287	CONSULTANT	360.00
	324-000	02/88	F0767	FORKLIFT ENTERP	C14306	#1 - UNLOAD & RACK 5-1/2" CSG	372.50
	324-000	02/88	Y0852	YOUNG'S MOBILE	5759	#1 - LEASE WTR SYSTEM & TRAILE	1,965.24
	324-000	02/88	MA813	MATADOR CASING	2416	#1 - INSPECT 5-1/2" CSG	1,104.31
	324-000	02/88	LA611	LANDIS DRILLING	88302	#1 - DAYWORK & FOOTAGE	112,411.50

MARSHALL & WINSTON INC.

L E A S E   W E L L   E X P E N S E   R E P O R T

LEASE: 422740 MC NEILL A #1

PHASE WELL	G/L ACCT NUMBER	DATE	VENDOR NUMBER	VENDOR NAME	INVOICE NUMBER	ITEM DESCRIPTION	NET AMOUNT
				324-000 DRILLING - CONTRACTOR		ACCOUNT PERIOD TOTAL:	125,282.04 *
	325-000	01/88	HA570	HALLIBURTON SER	627209	#1 - CMT 8-5/8" CSG	7,333.45
	325-000	02/88	HA570	HALLIBURTON SER	627185	#1 - CMT 5-1/2" CSG	26,768.10
	325-000	02/88	HA570	HALLIBURTON SER	521967	#1 - CMT SQUEEZE PERFS	4,481.79
				325-000 CEMENTING		ACCOUNT PERIOD TOTAL:	38,583.34 *
	326-000	02/88	SU815	SUTTLES LOGGING	53988131	MUD LOGGNG	3,292.96
	326-000	02/88	WE570	WELEX	WLW44602	#1 - PERF JOB	1,890.44
	326-000	02/88	WE570	WELEX	WLW44536	LOGGING (GR-CCL)& PERF JOB	4,398.70
	326-000	03/88	WE570	WELEX	WLW44658	PERF JOB	2,657.57
	326-000	03/88	CA763	CARDINAL SURVEY	26202	TRACER SURVEY	2,252.18
	326-000	03/88	CA763	CARDINAL SURVEY	26203	TAGMASTER	842.96
				326-000 OPEN & CASED HOLE EVALUATION		ACCOUNT PERIOD TOTAL:	15,334.81 *
	327-000	02/88	CA763	CARDINAL SURVEY	26163	#1 - TEMP SURVEY	1,974.76
	327-000	02/88	RO966	ROWLAND TRKNGCO	C288/399	#1 - LOAD CSG W/FW	104.28
	327-000	02/88	NE952	NEW-MEX CON.INC	48044	BLADE LOCATION-BACKFILL CELLAR	357.10
	327-000	02/88	RO966	ROWLAND TRKNGCO	C288/136	#1 - PMP DOWN BACKSIDE	169.62
	327-000	02/88	FO767	FORKLIFT ENTERP	C14516	#1- LOAD & HAUL PIPE RACKS	378.58
	327-000	02/88	HA570	HALLIBURTON SER	547620	#1- PKR & BRIDGE PLUG	1,358.75
	327-000	02/88	RO966	ROWLAND TRKNGCO	C188/990	FRESH WATER	116.17
	327-000	02/88	RO966	ROWLAND TRKNGCO	C288/098	#1 - KCL WATER	296.01
	327-000	02/88	WE570	WELEX	WLW44568	#1 - BRIDGE PLUG & PKR	3,394.65
	327-000	02/88	RO966	ROWLAND TRKNGCO	C188/801	KCL WATER	627.37
	327-000	02/88	FO767	FORKLIFT ENTERP	C14517	#1 - PIPE RACK RENTAL	474.19
	327-000	02/88	FO767	FORKLIFT ENTERP	C14425	LOAD & SET PIPE RACKS	351.19
	327-000	02/88	CA763	CARDINAL SURVEY	26180	#1 - GR CMT TOP	1,710.32
	327-000	02/88	ST102	STANDARD WELDIN	73559	WELD BELL NIPPLE	77.74
	327-000	02/88	FO767	FORKLIFT ENTERP	C14440	LOAD TBG	371.04
	327-000	02/88	RO966	ROWLAND TRKNGCO	C288/523	#1 - FW	208.57
	327-000	02/88	EU613	EUNICE RNTL,INC	B188/179	500 BBL FRAC TANK	304.73
	327-000	02/88	RO966	ROWLAND TRKNGCO	C288/401	#1 - KCL WATER	490.98
	327-000	02/88	CA763	CARDINAL SURVEY	26171	#1 - TAGMASTER	842.96
	327-000	02/88	HO211	HOBBS ANCHOR	1-59	SET ANCHORS	506.13
	327-000	02/88	HA570	HALLIBURTON SER	627226	#1 - PKR	1,121.95
	327-000	02/88	HA570	HALLIBURTON SER	627305	#1 - SQZ PKR	1,193.78
	327-000	03/88	RO966	ROWLAND TRKNGCO	C288/417	#1 - LOAD & TEST CSG	265.12
	327-000	03/88	WI637	WINTERHAWK,INC.	W001-0288	CONSULTANT	3,500.00
	327-000	03/88	RO966	ROWLAND TRKNGCO	C288/976	#1 - WTR FOR CMT JOB	104.28
	327-000	03/88	CO212	COBRA IND.INC.	7958	COMP UNIT	22,844.21
	327-000	03/88	CO212	COBRA IND.INC.	7958	DISCOUNT	2,020.00-
	327-000	03/88	RO966	ROWLAND TRKNGCO	C288/583	KCL WTR	490.98
	327-000	03/88	HA570	HALLIBURTON SER	627308	RBP	421.50
	327-000	03/88	WI637	WINTERHAWK,INC.	W011-0188	CONSULTANT	1,405.00
	327-000	03/88	RO966	ROWLAND TRKNGCO	C388/097	#1 - KCL WTR	1,310.17
	327-000	03/88	RO966	ROWLAND TRKNGCO	C288/808	FRESH WATER	116.17
	327-000	03/88	RO966	ROWLAND TRKNGCO	C288/914	KCL WATER	233.94

MARSHALL & WINSTON INC.

L E A S E   W E L L   E X P E N S E   R E P O R T

LEASE: 422740 MC NEILL A #1

PHASE WELL	G/L ACCT NUMBER	DATE	VENDOR NUMBER	VENDOR NAME	INVOICE NUMBER	ITEM DESCRIPTION	NET AMOUNT
	327-000	03/88	CO212	COBRA IND.INC.	7895	COMP. UNIT	4,252.94
	327-000	03/88	HA570	HALLIBURTON SER	627307	RBP & PKR	1,291.40
	327-000	03/88	RO966	ROWLAND TRKNGCO	C288/714	FRESH WATER	270.93
				327-000 COMPLETION		ACCOUNT PERIOD TOTAL:	50,917.51 *
	328-000	02/88	HA570	HALLIBURTON SER	567930	ACID JOB	1,659.25
	328-000	02/88	HA570	HALLIBURTON SER	627157	#1 - ACID JOB	889.49
	328-000	02/88	HA570	HALLIBURTON SER	627077	#1 - ACID JOB	2,066.46
	328-000	03/88	HA570	HALLIBURTON SER	627257	ACID JOB	1,736.10
	328-000	03/88	HA570	HALLIBURTON SER	627086	ACID JOB	4,845.82
	328-000	03/88	HA570	HALLIBURTON SER	627256	ACID JOB	1,329.42
	328-000	03/88	HA570	HALLIBURTON SER	627260	ACID JOB	1,247.26
				328-000 STIMULATION		ACCOUNT PERIOD TOTAL:	13,773.80 *
	329-000	01/88	MA771	M & W INC	ADJCR1/88	DRLG OVERHEAD FOR 1/88	4,500.00
	329-000	01/88	WA810	GEORGE WATTERS	885333	EXPENSE REIMB.	184.40
	329-000	02/88	BR117	TOM BRANDT	885701	EXP REIMB.	199.35
	329-000	02/88	MA771	M & W INC	OHDCR2/88	DRILLING OVRHD-29 DAYS 2/88	4,499.93
	329-000	03/88	MA771	M & W INC	ADJCR3/88	DRLG OVRHD FOR 14 DAYS	2,032.24
				329-000 IDC-MISCELLANEOUS		ACCOUNT PERIOD TOTAL:	11,415.92 *
				TOTAL FOR INTANGIBLE DEVELOPMENT COSTS		PERIOD TOTAL:	296,879.61 **
						BALANCE BROUGHT FORWARD	.00 **
						INCEPTION TO DATE:	296,879.61 **
LEASE & WELL EQUIPMENT							
	331-000	01/88	MA771	M & W INC	MTLXFRCRC	3804'(99)5.5"15.5#J55 STC USED	17,230.58
	331-000	01/88	MA771	M & W INC	MTLXFRCRC	2829'(80)5.5"17#J55 LTC USD	13,445.45
	331-000	01/88	GL633	GLOBAL IND.,INC	85588	1702'(38JTS)85/8'23#X42,R2CSG	15,095.70
	331-000	02/88	FA613	FANNIE LEE MITC	90330	#1 - LOAD & HAUL 38 JTS 8-5/8"	207.76
	331-000	02/88	GL633	GLOBAL IND.,INC	885082	9JTS(285.3')27/8"6.5#N80EUETBG	1,000.75
	331-000	02/88	GL633	GLOBAL IND.,INC	P 3599	8JTS(253.1')27/8"6.5#N80EUETBG	976.19
	331-000	02/88	MC225	MCCLATCHY BROTH	88620	#1 - LOAD 5-1/2" CSG	1,173.39
	331-000	03/88	MA771	M & W INC	CRCXFR3/88	7560'(237)27/86.5#J55 EUE UTBG	11,340.00
				331-000 CASING & TURING		ACCOUNT PERIOD TOTAL:	60,469.82 *
	332-000	03/88	MA771	M & W INC	CRCXFR3/88	3900'(156)3/4"NORRIS T78/SHCOU	2,301.00
	332-000	03/88	MA771	M & W INC	CRCXFR3/88	1800'(72)1"RDSNORRIST78/SHCOUP	1,980.00
	332-000	03/88	MA771	M & W INC	CRCXFR3/88	2000'(80)7/8NORRIS T78/SHCOUP	1,520.00
				332-000 SUCKER RODS		ACCOUNT PERIOD TOTAL:	5,801.00 *
	333-000	02/88	RE253	RED MAN PIPE	32801322	BELL NIPPLE & COUPLING	89.90
				333-000 SURFACE EQUIPMENT		ACCOUNT PERIOD TOTAL:	89.90 *
	334-000	02/88	MC225	MCCLATCHY BROTH	AJE0R2/88	UNLOAD 5 1/2" CASING	141.70
	334-000	03/88	MA771	M & W INC	CRCXFR3/88	1-27/8X51/2TYP B TBG ANCHOR	534.00
	334-000	03/88	MA771	M & W INC	CRCXFR3/88	1-2.5X1.5X24'RHBCDM PMP/BCBRL	1,237.00
				334-000 DOWN HOLE EQUIPMENT		ACCOUNT PERIOD TOTAL:	1,912.70 *
	335-000	03/88	MA771	M & W INC	CRCXFR3/88	1-AJAX 8.5"X10 CMA GSENG#58419	7,500.00
	335-000	03/88	MA771	M & W INC	CRCXFR3/88	1-AMR 456D-305-120#971/PUW/BSE	22,000.00

RUN DATE: Monday May 2,1988 2:12 PM

MARSHALL & WINSTON INC.

L E A S E   W E L L   E X P E N S E   R E P O R T

LEASE: 422740 MC NEILL A #1

PHASE WELL	G/L ACCT NUMBER	DATE	VENDOR NUMBER	VENDOR NAME	INVOICE NUMBER	ITEM DESCRIPTION	NET AMOUNT
	335-000	03/88	MA771	M & W INC	CRCXFR3/88	1-POLSH RD,LNR & STFFG BX	640.00
				335-000 PUMPING EQUIPMENT		ACCOUNT PERIOD TOTAL:	30,140.00 *
	337-000	03/88	MA771	M & W INC	CRCXFR3/88	1-210BBL(10X15')FBRGLSPLMRCLDT	2,500.00
	337-000	03/88	MA771	M & W INC	CRCXFR3/88	2-300BBL(12X15')WLD STL TKS	5,000.00
	337-000	03/88	MA771	M & W INC	CRCXFR3/88	1-4X20'50PSI HTR TRTR	3,500.00
	337-000	03/88	UN430	UNION SUPPLY CO	329258	CONNECTIONS	493.49
	337-000	03/88	RE253	RED MAN PIPE	32002279	CONNECTIONS	481.93
				337-000 TANK BATTERY EQUIPMENT		ACCOUNT PERIOD TOTAL:	11,975.42 *
	339-000	03/88	EU613	EUNICE RNTL,INC	B288/240	FRAC TANK	721.95
				339-000 LEASE & WELL EQUIPMENT-OTHER		ACCOUNT PERIOD TOTAL:	721.95 *
				TOTAL FOR LEASE & WELL EQUIPMENT		PERIOD TOTAL:	111,110.79 **
						BALANCE BROUGHT FORWARD	.00 **
						INCEPTION TO DATE:	111,110.79 **
LEASE OPERATING COSTS							
	342-000	03/88	MA771	M & W INC	ADJCR3/88	OPR. OVRHD FOR 17 DAYS	246.84
				342-000 OVERHEAD		ACCOUNT PERIOD TOTAL:	246.84 *
	349-000	03/88	RO966	ROWLAND TRKNGCO	C388/037	#1 - TRANSFER FLUID	138.60
				349-000 LEASE OPERATING COST-OTHER		ACCOUNT PERIOD TOTAL:	138.60 *
	359-000	02/88	WE570	WELEX	WLW36043	#1-SPECTRAL DENSITY LOG	13,558.38
				359-000 WORKOVER COSTS - OTHER		ACCOUNT PERIOD TOTAL:	13,558.38 *
				TOTAL FOR LEASE OPERATING COSTS		PERIOD TOTAL:	13,943.82 **
						BALANCE BROUGHT FORWARD	.00 **
						INCEPTION TO DATE:	13,943.82 **
					LEASE 422740 TOTALS	PERIOD TOTAL:	422,034.22 **
						BALANCE BROUGHT FORWARD	.00 **
						INCEPTION TO DATE:	422,034.22 **
					REPORT TOTAL:	PERIOD TOTAL:	422,034.22 ***
						BALANCE BROUGHT FORWARD	.00 ***
						INCEPTION TO DATE:	422,034.22 ***