

Dockets Nos. 8-88 and 9-88 are tentatively set for March 16 and March 30, 1988. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - MARCH 2, 1988

8:15 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Michael E. Stogner, Examiner, or David R. Catanach, Alternate Examiner:

CASE 9317: Application of Yates Petroleum Corporation for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Sunny Side Unit Area comprising 11,189.87 acres, more or less, of State and Fee lands in Township 10 South, Ranges 26 and 27 East. Said area is located approximately 8 miles north-northeast of Bottomless Lake State Park.

CASE 9318: Application of Yates Drilling Company for a secondary recovery project, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a secondary recovery project by the injection of water into the Queen formation in its proposed Cactus Queen Unit Area (Division Case No. 9319) underlying portions of Sections 26, 27, 34, and 35, Township 12 South, Range 31 East, Southeast Chaves Queen Gas Area Associated Pool, (which is an area that straddles State Highway No. 172 between Milepost Nos. 26.5 and 27.5).

CASE 9319: Application of Yates Drilling Company for statutory unitization, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order unitizing, for the purpose of establishing a secondary recovery project, all mineral interests in the Southeast Chaves Queen Gas Area Associated Pool underlying 560 acres, more or less, of State, Federal, and Fee lands in portions of Sections 26, 27, 34, and 35, Township 12 South, Range 31 East. Said area straddles State Highway No. 172 between Milepost Nos. 26.5 and 27.5. Said unit is to be designated the Cactus Queen Unit Area. Among the matters to be considered at the hearing will be the necessity of unit operations; the designation of a unit operator; the determination of the horizontal and vertical limits of the unit area; the determination of the fair, reasonable, and equitable allocation of production and costs of production, including capital investment, to each of the various tracts in the unit area; the determination of the credits and charges to be made among the various owners in the unit area for their investment in well and equipment; and such other matters as may be necessary and appropriate for carrying on efficient unit operations; including, but not necessarily limited to, unit voting procedures, selection, removal, or substitution of unit operator, and time of commencement and termination of unit operations.

CASE 9320: Application of Yates Petroleum Corporation for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 16, Township 24 South, Range 35 East, Undesignated Cinta Roja-Morrow Gas Pool, all of said Section 16 to be dedicated to the well, forming a standard 640-acre gas spacing and proration unit for said pool. Said location is approximately 6 miles south-southeast of the San Simon Sink.

CASE 9308: (Continued from February 17, 1988, Examiner Hearing)

Application of Marshall Pipe and Supply Company for an unorthodox gas well location, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 990 feet from the South line and 660 feet from the West line (Unit M) of Section 23, Township 2 South, Range 29 East, to test all formations and/or pools developed on 320-acre spacing from the surface to the base of the Ordovician System, the S/2 of said Section 23 to be dedicated to the well. Said location is approximately 4.5 miles east-northeast from the point common to Roosevelt, Chaves, and De Baca Counties.

CASE 9309: (Continued from February 17, 1988, Examiner Hearing)

Application of Marshall Pipe and Supply Company for an unorthodox gas well location, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 330 feet from the North line and 1980 feet from the East line of Section 34, Township 2 South, Range 29 East, to test all formations and/or pools developed on 320-acre spacing from the surface to the base of the Ordovician System, the N/2 of said Section 34 to be dedicated to the well. Said location is approximately 3.5 miles east by north from the point common to Roosevelt, Chaves, and De Baca Counties.

CASE 9321: Application of Marshall Pipe and Supply Company for compulsory pooling, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Ordovician formation underlying the N/2 of Section 34, Township 2 South, Range 29 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing. Said well is to be drilled at a proposed unorthodox gas well location (to be considered in Case 9309) 330 feet from the North line and 1980 feet from the East line (Unit B) of said Section 34. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for

supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well. Said well location is approximately 3.5 miles east by north from the point common to Roosevelt, Chaves, and De Baca Counties.

CASE 9322: Application of Metex Pipe and Supply for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location for its State "P" Well No. 3 to be drilled 100 feet from the North line and 1520 feet from the East line (Unit B) of Section 24, Township 21 South, Range 34 East, Wilson Yates-Seven Rivers Pool, the NW/4 NE/4 of said Section 24 to be dedicated to the well forming a standard 40-acre oil spacing and proration unit. Said location is approximately 1 mile south of NM 176 at Milepost 27.4.

CASE 9323: Application of Ralph E. Williamson for a non-standard oil proration unit and simultaneous dedication, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 56.19-acre non-standard oil spacing and proration unit comprising Lots 8 and 9 of Section 35, Township 26 South, Range 29 East, Brushy Draw-Delaware Pool, to be simultaneously dedicated to its Stateline Federal Well No. 1 located in Lot 8 and to its Stateline Federal Well No. 2 to be located at a previously approved unorthodox location 610 feet from the South line and 990 feet from the West line in Lot 9 of said Section 35. Said unit is located approximately 1 mile east of where the Pecos River crosses the New Mexico/Texas Stateline.

CASE 9324: Application of Amoco Production Company for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Undesignated Gavilan-Mancos Oil Pool underlying Lots 3 and 4, S/2 NW/4, and SW/4 of Section 5 and all of Section 6, both in Township 25 North, Range 2 West, which is a non-standard oil spacing and proration unit for said pool previously approved by Division Order No. R-8268. Said unit is to be dedicated to its Hill Trust Federal Com. Well No. 1 to be drilled at a standard location 1660 feet from the North line and 1680 feet from the West line (Unit F) of said Section 5. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said location is approximately 3/4 of a mile west of the Ojito Post Office.

CASE 9314: (Readvertised)

Application of Nearburg Producing Company to Amend Division Order No. R-6933, as amended, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authorization to re-enter and deepen to the Morrow formation the Santa Fe Exploration Company Gulf Com. Well No. 1 located at an unorthodox gas well location 660 feet from the North and West lines (Unit D) of Section 14, Township 20 South, Range 25 East, previously approved by Division Order No. R-6933, as amended. Applicant also seeks to rescind the production limitation factor provisions of said Order. This well is located approximately 5.5 miles west by south of Seven Rivers, New Mexico.

CASE 9325: Application of Enron Oil & Gas Company for amendment of special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to amend the special pool rules promulgated by Division Order No. R-3161 for the Cinta Roja-Morrow Gas Pool in Township 24 South, Range 35 East, to include a provision for 320-acre infill drilling and appropriate findings relative thereto. Said pool is located approximately 6 miles south-southeast of the San Simon Sink.

CASE 9310: (Continued from February 17, 1988, Examiner Hearing)

Application of Sun Exploration and Production Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to either the base of the Morrow formation or to a depth of 13,700 feet, whichever is deeper, underlying the N/2 of Section 26, Township 18 South, Range 33 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools with this vertical extent being developed on 320-acre spacing, to be dedicated to a well to be drilled at a standard gas well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said location is approximately 6 miles west of the old Hobbs Army Air Corps Auxiliary Airfield No. 4.

CASE 9303: (Readvertised)

Application of Penroc Oil Corporation for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Undesignated Mid Vacuum-Devonian Pool in the perforated interval from 11,850 feet to 12,200 feet in its State "AF" Well No. 2 located 330 feet from the South line and 2130 feet from the East line (Unit O) of Section 8, Township 18 South, Range 35 East. Said well is located approximately 4 miles south-southeast of Buckeye, New Mexico.

Dockets Nos. 10-88 and 11-88 are tentatively set for March 30 and April 13, 1988. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - MARCH 16, 1988

8:15 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before David R. Catanach, Examiner, or Michael E. Stogner, Alternate Examiner:

ALLOWABLE: 1. Consideration of the allowable production of gas for April, 1988, from fourteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.

2. Consideration of the allowable production of gas for April, 1988, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 9328: In the matter of the hearing called by the Oil Conservation Division on its own motion to consider the amendment of Division Order No. R-3221, which prohibits disposal of water produced in conjunction with the production of oil or gas on the surface of the ground, or in any other place or manner which will constitute a hazard to fresh water supplies in the area encompassed by Lea, Eddy, Chaves, and Roosevelt Counties, to adopt standardized procedures for hearing such applications.

CASE 9322: (Continued from March 2, 1988, Examiner Hearing)

Application of Metex Pipe and Supply for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location for its State "P" Well No. 3 to be drilled 100 feet from the North line and 1520 feet from the East line (Unit B) of Section 24, Township 21 South, Range 34 East, Wilson Yates-Seven Rivers Pool, the NW/4 NE/4 of said Section 24 to be dedicated to the well forming a standard 40-acre oil spacing and proration unit. Said location is approximately 1 mile south of NM 176 at Milepost 27.4

CASE 9308: (Continued from March 2, 1988, Examiner Hearing)

Application of Marshall Pipe and Supply Company for an unorthodox gas well location, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 990 feet from the South line and 660 feet from the West line (Unit M) of Section 23, Township 2 South, Range 29 East, to test all formations and/or pools developed on 320-acre spacing from the surface to the base of the Ordovician System, the S/2 of said Section 23 to be dedicated to the well. Said location is approximately 4.5 miles east-northeast from the point common to Roosevelt, Chaves, and De Baca Counties.

CASE 9309: (Continued from March 2, 1988, Examiner Hearing)

Application of Marshall Pipe and Supply Company for an unorthodox gas well location, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 330 feet from the North line and 1980 feet from the East line of Section 34, Township 2 South, Range 29 East, to test all formations and/or pools developed on 320-acre spacing from the surface to the base of the Ordovician System, the N/2 of said Section 34 to be dedicated to the well. Said location is approximately 3.5 miles east by north from the point common to Roosevelt, Chaves, and De Baca Counties.

CASE 9321: (Continued from March 2, 1988, Examiner Hearing)

Application of Marshall Pipe and Supply Company for compulsory pooling, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Ordovician formation underlying the N/2 of Section 34, Township 2 South, Range 29 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing. Said well is to be drilled at a proposed unorthodox gas well location (to be considered in Case 9309) 330 feet from the North line and 1980 feet from the East line (Unit B) of said Section 34. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well. Said well location is approximately 3.5 miles east by north from the point common to Roosevelt, Chaves, and De Baca Counties.

CASE 9329: Application of Yates Petroleum Corporation for an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 660 feet from the North and East lines (Unit A) of Section 26, Township 9 South, Range 26 East, to test all formations and/or pools developed on 320-acre spacing from the base of the Abo formation to the base of the Montoya formation, the N/2 of said Section 26 to be dedicated to said well. Said location is approximately 7.75 miles Southeast by East of the Pecos River Bridge on U.S. Highway 70.

CASE 9330: Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 660 feet from the North and West lines (Unit D) of Section 13, Township 20 South, Range 29 East, to test the Undesignated East Burton Flat-Strawn Gas Pool, the Undesignated Getty-Morrow Gas Pool, and the Cisco, Canyon, and Atoka formations, the W/2 of said Section 13 to be dedicated to said well forming a standard 320-acre gas spacing and proration unit for said zones. Said location is approximately 3.5 miles North-Northwest of the junction of U.S. Highway 62/180 and State Highway 31.

CASE 9318: (Continued from March 2, 1988, Examiner Hearing)

Application of Yates Drilling Company for a secondary recovery project, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a secondary recovery project by the injection of water into the Queen formation in its proposed Cactus Queen Unit Area (Division Case No. 9319) underlying portions of Sections 26, 27, 34, and 35, Township 12 South, Range 31 East, Southeast Chaves Queen Gas Area Associated Pool, (which is an area that straddles State Highway No. 172 between Milepost Nos. 26.5 and 27.5).

CASE 9319: (Continued from March 2, 1988, Examiner Hearing)

Application of Yates Drilling Company for statutory unitization, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order unitizing, for the purpose of establishing a secondary recovery project, all mineral interests in the Southeast Chaves Queen Gas Area Associated Pool underlying 560 acres, more or less, of State, Federal, and Fee lands in portions of Sections 26, 27, 34, and 35, Township 12 South, Range 31 East. Said area straddles State Highway No. 172 between Milepost Nos. 26.5 and 27.5. Said unit is to be designated the Cactus Queen Unit Area. Among the matters to be considered at the hearing will be the necessity of unit operations; the designation of a unit operator; the determination of the horizontal and vertical limits of the unit area; the determination of the fair, reasonable, and equitable allocation of production and costs of production, including capital investment, to each of the various tracts in the unit area; the determination of the credits and charges to be made among the various owners in the unit area for their investment in well and equipment; and such other matters as may be necessary and appropriate for carrying on efficient unit operations; including, but not necessarily limited to, unit voting procedures, selection, removal, or substitution of unit operator, and time of commencement and termination of unit operations.

CASE 9295: (Continued from February 17, 1988, Examiner Hearing)

Application of Hixon Development Company for a non-standard oil proration unit, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the Special Rules and Regulations for the Cavilan-Mancos Oil Pool as promulgated by Division Order No. R-7407, as amended, to form a non-standard 320-acre oil spacing and proration unit comprising the E/2 of Section 26, Township 26 North, Range 2 West, to be dedicated to a well to be drilled at a standard oil well location thereon. Said unit is located approximately 4.5 miles east-northeast of the Ojito Post Office.

CASE 9310: (Readvertised)

Application of Sun Exploration and Production Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to either the base of the Morrow formation or to a depth of 13,700 feet, whichever is deeper, underlying the following described acreage in Section 26, Township 18 South, Range 33 East, in the following described manner:

The N/2 to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools within said vertical limits developed on 320-acre spacing;

The S/2 NW/4 to form a standard 80-acre oil spacing and proration unit in the Undesignated EK-Bone Spring Pool; and

The SE/4 NW/4 to form a statewide standard 40-acre oil spacing and proration unit for any and all formations and/or pools within said vertical limits developed on 40-acre spacing.

All of the above-described units are to be dedicated to a well to be drilled at a standard location in the SE/4 NW/4 (Unit F) of said Section 26.

Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said location is approximately 6 miles west of the old Hobbs Army Air Corps Auxiliary Airfield No. 4.

E. J. DANGLADE PROPERTIES

P. O. DRAWER 1687

JUNE D. SPEIGHT, OWNER
LOVINGTON, NEW MEXICO 88260

396-3101
EXBOOK 6-3101

9 February 1988

Case No. 9321

Mr. Chad Dickerson
Dickerson, Fisk & Vandiver
Seventh & Mahone - Suite E
Artesia, New Mexico 88210

Re: Marshall Pipe & Supply - Application for Compulsory Pooling
Sec. 34: N/2 , T-2-S, R-29-E, NMPM, Roosevelt County, N. Mex.

Dear Mr. Dickerson:

Today we have received your certified letter addressed to June D. Speight transmitting the copy of the Marshall Pipe & Supply application to the Oil Conservation Division for a standard 320-acre proration unit comprising the N $\frac{1}{2}$ of Sec. 34-2S-29E in Roosevelt County, New Mexico. Mrs. Speight is not available at this time, so in the meantime we would like to call to your attention that Marshall Pipe and Supply has not approached her about leasing her mineral interest in the NW $\frac{1}{4}$ of Sec. 34 which is included in your proposed unit.

As a matter of information, the June D. Speight mineral interest is under all of Sec. 34. In 1986 Marshall Pipe & Supply purchased a lease from Mrs. Speight covering her mineral interest in the E $\frac{1}{2}$ of Sec. 34 for a two-year term that will expire May 8, 1988. At that time there was no mention that Marshall was interested in her additional mineral interest in this Sec. 34 and Marshall has not subsequently contacted her concerning a lease on her other minerals in this Sec. 34 - in particular the NW $\frac{1}{4}$ where she owns 9.44 net acres.

The lease that Marshall Pipe now holds covering the June D. Speight mineral interest in the E $\frac{1}{2}$ Sec. 34 contains a pooling clause. Does this indicate her interest in the NE $\frac{1}{4}$ would be pooled to include her unleased interest in the NW $\frac{1}{4}$ in order to form Marshall's unit in the N $\frac{1}{2}$? In view of these comments, we question how the June D. Speight interest in the NW $\frac{1}{4}$ Sec. 34 can be force pooled and thus be penalized with the withholding from production her share of well costs, as indicated in Marshall's "Application", paragraphs 6 and 7.

Will you please let us hear from you concerning an explanation of this matter.

Very truly yours,

Florine Henderson
Secretary

cc: N. Mex. Oil Conservation Division ✓
Marshall Pipe & Supply Co.
Ms. Leslie Bentz
June D. Speight

DICKERSON, FISK & VANDIVER
ATTORNEYS AT LAW
SEVENTH & MAHONE / SUITE E
ARTESIA, NEW MEXICO 88210
(505) 746-9841

FEB 25 1988

CHAD DICKERSON
JOHN FISK
DAVID R. VANDIVER
REBECCA REESE DICKERSON

February 24, 1988

M.S.

Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Case Nos. 9308, 9309 and 9321
Examiner Hearing of March 2, 1988
Applications of Marshall Pipe & Supply Company
Township 2 South, Range 29 East, N.M.P.M.
Perry No. 1 Well - Section 23: S/2
Cook No. 1 Well - Section 34: N/2
Roosevelt County, New Mexico

Gentlemen:

Please continue the hearings set on the Applications of Marshall Pipe & Supply Company for Unorthodox Well Locations and Compulsory Pooling, Roosevelt, County, New Mexico, which are set for the hearing of March 2, 1988, until the Examiner Hearing of March 16, 1988.

Thank you.

Sincerely yours,

DICKERSON, FISK & VANDIVER

Chad Dickerson
Chad Dickerson

CD:pvw

cc: Mr. J. W. Marshall
Ms. Leslie Bentz
Mr. Curtis D. Smith
Mr. James H. Grady

MARSHALL Pipe & Supply Company

Drilling

Producing

13423 FORESTWAY DRIVE

DALLAS, TEXAS 75240

(214) 239-7284

J. W. Marshall
Dallas, Texas
RESIDENCE
(214) 233-7881

APR - 8 1988

April 4th, 1988

Texaco Producing, Inc.,
P.O. Box 3109
Midland, Texas 79702

Copy

Attention: Mr. Curtis D. Smith:

Re: Cook #1
Section 34, T2S, R29E
Roosevelt County, New Mexico

Dear Mr. Smith:

We mailed to you on February 24th, 1988, an AFE on Approximate Cost to the Casing Point on our Cook #1, Section 34, N/2, T2S, R29E, Roosevelt County, New Mexico.

On March 4th, 1988, it was necessary for us to include the Cost of the Building Road to Location, including Land Easement, etc. This added \$ 12,000.00 to our first AFE. We had at that time received an invoice from Graham Abstract in the amount of \$ 1,561.14 on this location - - and we removed the "aprox." charges listed as "Dickerson, \$ 873.95, Graham Abstract, \$ 26.41, Sewell & Uselton, \$ 500.00" -- TOTAL AFE: \$ 249,180.67.

Please place this March 4th, 1988, AFE in your files regarding the drilling of the Cook #1.

The Completion Costs are estimated as per our letter to you of February 24th, 1988:

Equipment: 51,163.07

Completion: 72,178.38

\$ 123,341.45 (this cost will be

determined by the number of zones completed.)

This corrected AFE is mailed to you as per the ruling under Case No. 9321 and 9309, Order of the Division dated March 28th, 1988.

Very truly yours,

J.W. Marshall

MARSHALL PIPE & SUPPLY COMPANY

CERTIFIED MAIL/DEMAND RETURN RECEIPT.

J. W. Marshall

JWM:vlj

encl: AFE

Chad Dickerson

cc: Oil Conservation Division
Santa Fe, New Mex. 87501

cc: David Vandiver
Dickerson, Fisk & Vandiver
Artesia, New Mexico 88210

MARSHALL Pipe & Supply Company

Drilling

Producing

19423 FORESTWAY DRIVE

DALLAS, TEXAS 75240

(214) 239-7284

J. W. Marshall
Dallas, Texas
RESIDENCE
(214) 233-7881

MARCH 4th, 1988

AFE COVERING
COOK #1
SECTION 34, T2S, R29E
ROOSEVELT COUNTY, NEW MEXICO

APPROXIMATE COST TO CASING POINT:

EQUIPMENT:

325' 13-3/8" Casing, NEW delivered to location:	@ \$ 13.50	\$ 4,387.50
2100' 8-5/8" Casing, NEW	@ \$ 9.25	19,425.00
		<u>\$ 23,812.50</u>

DEVELOPMENT:

Stake Location	397.03
Location, and pits	5,000.00
Fresh Water, total bbls. hauled @ \$ 1.00 per bbl.	13,000.00
Halliburton, cementing 13-3/8"	3,500.00
Halliburton, cementing 8-5/8"	6,100.00
Three Drill Stem Tests	4,800.00
Plug and Abandon (if dry hole)	3,000.00
Calculations, one drill stem test	325.00
Welding	2,000.00
Plastic Line Reserve Pit	2,200.00
Fence Reserve Pit	500.00
Drilling 7250' @ \$ 13.50 per foot	97,875.00
Daywork, three drill stem tests, circulate samples and plug if a dry hole, 128 hours @ \$ 150.00 per hour	19,200.00
Casing Crew - Run 13-3/8"	1,500.00
Casing Crew - Run 8-5/8"	1,500.00
Help lay down drill pipe	600.00
Mud chemicals, starch, etc.	17,000.00
Oil for Mud	3,000.00
Logs, CNLD, DLM-SFL, & Sonic	10,000.00
Mud Logger	8,000.00
Geological Services	7,000.00
Sample Sacks	300.00
Operator, drilling well, as per Operating Agreement	5,010.00
Graham Abstract	1,561.14
ROAD: Land Easement, Building road to location, East side of 21, West side of 22, into West side 27 - to get to 34, Location - come from West to East	12,000.00
	<u>\$ 225,368.17</u>

EQUIPMENT:	23,812.50
DEVELOPMENT:	<u>225,368.17</u>
TOTAL (Approx)	<u>\$ 249,180.67</u>

MARSHALL Pipe & Supply Company

Drilling

Producing

13423 FORESTWAY DRIVE

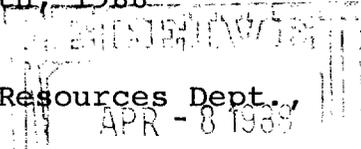
DALLAS, TEXAS 75240

(214) 239-7284

April 4th, 1988

J. W. Marshall
Dallas, Texas
RESIDENCE
(214) 233-7881

State of New Mexico
Energy, Minerals, and Natural Resources Dept.,
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501



M.S.

Re: Case No. 9321 and 9309
Order No. R-8618
Cook #1, Section 34,
T2S, R29E,
Roosevelt County, New Mexico

Gentlemen:

As per your Order of the Division dated March 28th, 1988, Paragraph #4, we are enclosing copy of AFE "Approximate Cost to the Casing Point" Totaling \$ 249,180.67. This AFE was mailed to all working interest owners on March 4th, 1988.

A copy of AFE was mailed to Texaco on February 24th, 1988.

Upon completion of this well we will furnish the Division and each known working interest owners an itemized schedule of actual well costs.

Very truly yours,

MARSHALL PIPE & SUPPLY COMPANY

J. W. Marshall
J. W. Marshall

JWM;vlj

encl:

cc: Oil Conservation Division
District Office
P.O. Box 1980
Hobbs, New Mexico 88240

Chad Dickerson
Dickerson, Fisk & Vandiver
Seventh & Mahone
Suite E
Artesia, New Mexico 88210

MARSHALL Pipe & Supply Company

Drilling

Producing

13423 FORESTWAY DRIVE

DALLAS, TEXAS 75240

(214) 239-7284

J. W. Marshall
Dallas, Texas
RESIDENCE
(214) 233-7881

MARCH 4th, 1988

APE COVERING
COOK #1
SECTION 34, T2S, R29E
ROOSEVELT COUNTY, NEW MEXICO

APPROXIMATE COST TO CASING POINT:

EQUIPMENT:

325' 13-3/8" Casing, NEW delivered to location:	@ \$ 13.50	\$ 4,387.50
2100' 8-5/8" Casing, NEW	@ \$ 9.25	19,425.00
		<u>\$ 23,812.50</u>

DEVELOPMENT:

Stake Location	397.03
Location, and pits	5,000.00
Fresh Water, total bbls. hauled @ \$ 1.00 per bbl.	13,000.00
Halliburton, cementing 13-3/8"	3,500.00
Halliburton, cementing 8-5/8"	6,100.00
Three Drill Stem Tests	4,800.00
Plug and Abandon (if dry hole)	3,000.00
Calculations, one drill stem test	325.00
Welding	2,000.00
Plastic Line Reserve Pit	2,200.00
Fence Reserve Pit	500.00
Drilling 7250' @ \$ 13.50 per foot	97,875.00
Daywork, three drill stem tests, circulate samples and plug if a dry hole, 128 hours @ \$ 150.00 per hour	19,200.00
Casing Crew - Run 13-3/8"	1,500.00
Casing Crew - Run 8-5/8"	1,500.00
Help lay down drill pipe	600.00
Mud chemicals, starch, etc.	17,000.00
Oil for Mud	3,000.00
Logs, CNLD, DLM-SFL, & Sonic	10,000.00
Mud Logger	8,000.00
Geological Services	7,000.00
Sample Sacks	300.00
Operator, drilling well, as per Operating Agreement	5,010.00
Graham Abstract	1,561.14
ROAD: Land Easement, Building road to location, East side of 21, West side of 22, into West side 27 - to get to 34, Location - come from West to East	12,000.00
	<u>\$ 225,368.17</u>

EQUIPMENT: 23,812.50

DEVELOPMENT: 225,368.17

TOTAL (Approx) \$ 249,180.67

MARSHALL Pipe & Supply Company

Drilling

Producing

13423 FORESTWAY DRIVE

DALLAS, TEXAS 75240

(214) 239-7284

August 29th, 1988

J. W. Marshall
Dallas, Texas
RESIDENCE
(214) 233-7881

Texaco Producing, Inc.,
P.O. Box 3109
Midland, Texas 79702



Attention: Mr. Curtis D. Smith:

Re: Cook #1
Section 34, T2S, R29E
Roosevelt County, New Mexico
Order of the Division
Dated March 28th, 1988
Case No. 9321 and 9309
Order No. R-8618

Dear Mr. Smith:

As per the Order of the Division dated March 28th, 1988, Paragraph #4, we are enclosing Itemized Details showing Actual Costs on the Cook #1 well.

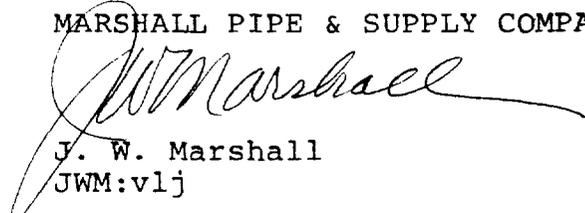
Actual Costs to the Casing Point:		
Equipment:	\$ 28,028.92	
Development:	<u>225,994.48</u>	\$ 254,023.40

Actual Completion Costs:		
Equipment:	50,136.21	
Completion	<u>76,767.47</u>	<u>126,903.68</u>

Total Actual Cost of Cook #1 to date: \$ 380,927.08

Very truly yours,

MARSHALL PIPE & SUPPLY COMPANY

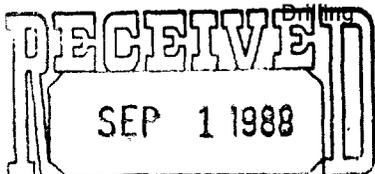

J. W. Marshall
JWM:vlj

cc: Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501

cc: David Vandiver
Chad Dickerson
Dickerson, Fisk & Vandiver
Seventh & Mahone - Suite E
Artesia, New Mexico 88210

MARSHALL Pipe & Supply Company

Producing



13423 FORESTWAY DRIVE
DALLAS, TEXAS 75240
(214) 239-7284

Catanach

J. W. Marshall
Dallas, Texas
RESIDENCE
(214) 233-7881

OIL CONSERVATION DIVISION August 29th, 1988
SANTA FE

State of New Mexico
Energy, Minerals and Natural Resources Dept.,
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501

DK

Re: Case No. 9321 and 9309
Order No. R-8618
Cook #1, Section 34,
T2S, R29E
Roosevelt County, New Mexico

Gentlemen:

As per your Order of the Division dated March 28th, 1988,
Paragraph #4, we are enclosing

Actual Costs to the Casing Point:		
Equipment:	28,028.92	
Development:	<u>225,994.48</u>	\$ 254,023.40

Actual Completion Costs:		
Equipment:	50,136.21	
Completion:	<u>76,767.47</u>	<u>126,903.68</u>

Total Actual Cost of Cook #1: \$ 380,927.08

Itemized Details are attached.

A copy of these details are going forward to Texaco this
date, August 29th, 1988.

Very truly yours,

MARSHALL PIPE & SUPPLY COMPANY

J. W. Marshall
J. W. Marshall
JWM;vlj

encl:

cc: Oil Conservation Division
District Office
P.O. Box 1980
Hobbs, New Mexico 88240

cc: David Vandiver
Chad Dickerson
Dickerson, Fisk & Vandiver
Seventh & Mahone -Suite E
Artesia, New Mexico 88210

MARSHALL PIPE & SUPPLY COMPANY
13423 Forestway Dr.,
Dallas, Texas 75240

August 29th, 1988

COOK #1
SECTION 34, T2S, R29E
ROOSEVELT COUNTY, NEW MEXICO

ACTUAL EXPENSES TO THE CASING POINT:

EQUIPMENT:

Brammer Pipe & Steel	Inv. 08751		
	327.70' 13-3/8 Casing	\$ 6,422.92	
	2216' 8-5/8" Casing	\$ 21,606.00	\$ 28,028.92
<u>TOTAL EQUIPMENT TO CASING POINT:</u>			<u>\$ 28,028.92</u>

DEVELOPMENT TO CASING POINT:

Operator, Drilling Well, as per Operating Agreement			\$ 5,010.00
Ronald Anthony,	5-16-88, Re: Road		200.00
Dickerson, Fisk & Vandiver Attorneys	3-10-88	5,660.58	
	4-12-88	1,622.25	
	5-3-88	50.00	
	7-8-88	1,403.24	8,736.07
Globe Construction Co.,	48-099, location, pits		5,094.78
Graham Abstract Company	3-1-88, abstracts		1,561.14
Olen Hamilton	4744, Plastic Line		
	Pit	1,702.20	
	1216, guards & (weld) gate	793.12	
	1223, welding	122.70	
	1224, weld head		
	cut sur. casings	229.72	2,847.74
Halliburton Services	Inv. 407576, Drill Stem Test	2,808.57	
	522089, cement 13-3/8"	3,792.06	
	522359, cement 8-5/8"	7,835.48	
Jack Houston Drilling, Inc.,	Inv. 5-16-88, Drilling well	112,830.82	
Kenneth Tank Service	Inv. 17948, water for rig	15,899.32	
John T. & Nadine McGee	4-19-88, use of road	2,600.00	
Marrs Mud, Inc.,	Inv. 0518, Mud/chemicals	16,470.18	
Ben E. Milford, Geologist	Inv. 5-19-88, Wellsite consulting	5,215.39	
P. R. Patton & Assoc.	Inv. 88-001, Survey location	397.03	
Permian	Inv. 04-4806, wash oil	1,301.13	
Schlumberger Well Services	Inv. 4-067248, directional log	2,118.03	
	Inv. 4-162184, Hole deviation results	550.00	
	Inv. 4-067278, Logs	13,215.26	
Tooke International	Inv. 1845, 60, 81, 82,83 Mud logging	6,406.05	
Thomas E. Tucker	Inv. 226, installed 3 cattleguards	1,532.67	
	Inv. 227, built one mile road	7,350.00	

MARSHALL PIPE & SUPPLY COMPANY
13423 Forestway Dr.,
Dallas, Texas 75240

August 29th, 1988

COOK #1
SECTION 34, T2S, R29E
ROOSEVELT COUNTY, NEW MEXICO

ACTUAL EXPENSES TO THE CASING POINT:

DEVELOPMENT TO CASING POINT - CONTINUED:

West Texas Casing, Inc.,	Inv. 5848, Run 13-3/8"	\$	900.00
	Inv. 5850, Run 8-5/8"		1,322.76

TOTAL DEVELOPMENT TO THE CASING POINT: \$ 225,994.48

SUMMARY:

EQUIPMENT TO CASING POINT:	\$ 28,028.92
DEVELOPMENT TO CASING POINT:	<u>225,994.48</u>
TOTAL ACTUAL COST TO CASING POINT:	\$ <u>254,023.40</u>

MARSHALL PIPE & SUPPLY COMPANY
13423 FORESTWAY DR.
DALLAS, TEXAS 75240

August 29th, 1988

COOK #1
SECTION 34, T2S, R29E
ROOSEVELT COUNTY, NEW MEXICO

ACTUAL COMPLETION COSTS:

EQUIPMENT:

Brammer Pipe & Steel	Inv. 08788, 7402.40' 5-1/2" Casing	\$ 32,200.44
	Inv. 08921, Tubing subs, valve	775.00
Brammer Supply Inc.,	Inv. 18455, Larkin Casinghead	813.00
	Inv. 19354, Orbit Baker Valves, nip. Tubinghead, stripper rub.	4,076.48
J. N. Cardwell	7404.78' 2-3/8" Tubing	9,185.63
Hobbs Anchor	Inv. 5-59, Anchors	859.66
Jack Houston Company	Inv. 4758, 3 cattleguards	2,226.00
Marshall Pipe & Supply Co.,	4-18-88, one 300 bbls tank	2,000.00
"	8-1-88, CM on 300 bbl tank	(2,000.00)
<u>TOTAL EQUIPMENT TO DATE:</u>		\$ <u>50,136.21</u>

DEVELOPMENT: ACTUAL INTANGIBLE COMPLETION COSTS:

Globe Construction Co.	Inv. 888-026, cut mud in pits for drying	738.32
Grant Const. Co.,	Inv. 4-36, Re, Tank	227.63
	4-100, "	530.00
	4-104 "	116.07
J. A. Gustamantes Well Ser.	Inv. 1192, Well Completion	16,697.91
Halliburton Services	Inv. 407581, Bridge plug, etc.	3,334.18
	522365, cementing 5-1/2"	5,068.95
	522427, acidizing	14,711.37
Olen Hamilton Welding	Inv. 1237, Fencing pits	222.07
	4791, welding 5-1/2"	249.52
	6442, welding	122.67
	6433, pits for dozer	75.95
Kenneth Tank Service	18034, water for completion	1,058.19
Marshall Pipe & Supply Co.,	Inv. 7-5-88, well completion	9,561.60
M & G Pipe & Trucking	Inv. 1179, unloading tubing	221.44
Otis Engineering Corp.,	Inv. 626820, seal assembly	6,243.84
	Inv. 626824, re packer	2,110.72
	Inv. 633650, "	968.94
T. G. Skinner	Inv. 0988, re tank:	64.00
Stearns	Inv. 1364, re: frac tank	209.75
Wasp Wireline, Inc.,	Inv. 0156, perforate well	9,831.06
John West Engineering	Inv. 788-294, Four Point Test	2,413.09
West Texas Casing, Inc.,	Inv. 5864, running 5-1/2"	<u>1,990.20</u>
<u>TOTAL COMPLETION/DEVELOPMENT COSTS:</u>		\$ <u>76,767.47</u>

SUMMARY:

<u>COMPLETION:</u>	<u>EQUIPMENT:</u>	50,136.21
	<u>COMPLETION:</u>	<u>76,767.47</u>
<u>TOTAL TO DATE:</u>	\$	<u>126,903.68</u>

