

Exhibits 1 through 6
Complete Set

Ownership in:
SE/4 SW/4 of Sec. 31,
T-18-S, R-39-E, NMPM
Lea County, New Mexico
(Pool Unit for
PFI Harvard #1)

Party	% WI
PFI	75.93750%
M. Brad Bennett, Inc.	5.62500%
Barton Brothers (Fee)	3.12500%
Anadarko	14.53125%
John Bayz (Fee)	0.78125%
	100.00000%

unknown address
76% connected

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18
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Notices:

1. Primary Fuels, Inc.
1300 Wilco Building
Midland, Texas 79701
2. M. Brad Bennett, Inc.
P. O. Box 2062
Midland, Texas 79702
3. Barton Brothers Land and
Royalty Company
P. O. Box 968
Hobbs, New Mexico 88201
4. Anadarko Petroleum Corporation
P. O. Box 2497
Midland, Texas 79702
5. John Bayz
(address unknown)

Proposed Well
(Foster San Andres Field)
PFI Harvard #1
located 1980' FWL & 330' FSL
Section 31, T-18-S, R-39-E
(Pooled Unit SE/4 SW/4; 40 acres)

- Present Wells
(Foster San Andres Field)
- A. Anadarko Harvard #1
 - B. Nearburg & Ingram Foster #1
(Presently Operated by
Martindale Petroleum Corp.)
 - C. Texas American Foster #1

BEFORE EXAMINER CATANACH
OIL CONSERVATION DIVISION

EXHIBIT NO. 1

CASE NO. 9361

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S



Primary Fuels, Inc.
A Subsidiary of Houston Industries Incorporated

APRIL 19, 1988

BRAD M. BENNETT
P. O. BOX 2062
MIDLAND, TX 79702

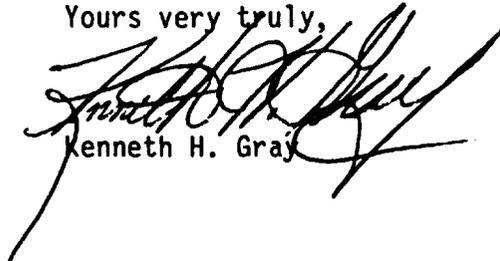
RE: S/2 Section 31, T-18-S, R-39-E
save and except the SW/4 of SE/4,
Lea County, New Mexico, containing
280 acres, more or less
Ciudad Prospect

Dear Brad:

As a follow-up to our letter of March 3, 1988 and to various telephone conversations, enclosed herewith is a copy of an Operating Agreement for the captioned acreage, accompanied by an extra copy of the signature pages. It is requested that one copy of the signature page and AFE be returned to our Midland office at your earliest convenience. However, should you elect not to join with us, we again request that you consider our farmout terms as requested in our letter of March 3, 1988.

Should you have any questions, please do not hesitate to call.

Yours very truly,



Kenneth H. Gray

KHG/syp

Enclosures

SEARCHED	INDEXED
SERIALIZED	FILED
APR 20 1988	
FBI - MIDLAND	
EXHIBIT NO.	9361
CLIENT NO.	2



Primary Fuels, Inc.
A Subsidiary of Houston Industries Incorporated

MARCH 3, 1988

BRAD M. BENNETT
P. O. BOX 2062
MIDLAND, TX 79702

RE: S/2 Section 31, T-18-S, R-39-E
save and except the SW/4 of SE/4,
Lea County, New Mexico, containing
280 acres, more or less
Ciudad Prospect

Gentlemen:

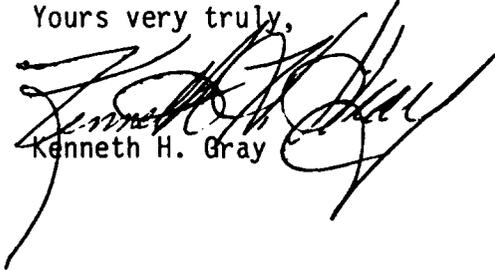
Primary hereby proposes the formation of a working interest unit covering the captioned acreage for the purpose of drilling a 4550' San Andres test, tentatively located 1980' FWL and 330' FSL of Section 31. For your information, we have enclosed a copy of the AFE for our proposed well (PFI Harvard #1). If you do not desire to join in the drilling of the captioned well, we respectfully request that you farmout your interest subject to the following terms and conditions:

1. Within 60 days after an acceptable agreement has been signed by all parties, the initial test well will be commenced at a legal location of Primary's choice on the captioned acreage (pending no surface problems, the initial test well will be located at referenced above). The initial test well will be drilled to a depth sufficient to test the San Andres formation, or 4600', whichever is the lesser. Upon completion of the initial test well as a commercial producer:
 - a. Bennett will assign to Primary 100% of his interest in the initial drillsite proration unit, retaining the difference between present existing lease burdens and 23%, conveying to Primary no less than a 77% net revenue interest. Upon payout of the initial test well, Bennett will have the option to exchange its retained override for a 25% interest in the initial proration unit.
 - b. Bennett will assign to Primary 75% of his remaining acreage as outlined in the caption.
2. Rights earned will be limited to 100' below total depth drilled in the initial test well.
3. The initial test well after payout, and all subsequent wells will be operated under the terms of an Operating Agreement acceptable to parties involved.
4. Appropriate tax language will be added to protect against any adverse tax consequences.

Ciudad Prospect
Page Two

Your prompt response to this request is appreciated, since Primary would like to commence this well as early as possible. Should you have any questions, please do not hesitate to call.

Yours very truly,

A handwritten signature in black ink, appearing to read 'Kenneth H. Gray', written over the typed name. The signature is stylized and somewhat cursive.

Kenneth H. Gray

KHG/syp

Enclosure

cc: Don Thompson

**AUTHORIZATION FOR EXPENDITURE
DRILLING AND COMPLETION**

PRIMARY FUELS, INC.

OPERATOR Primary Fuels, Inc.		DISTRICT Midland	DRILLING AFE NO.	COMPLETION AFE NO.	Budget Year '87
<input type="checkbox"/> WILDCAT <input checked="" type="checkbox"/> DEVELOPMENT <input type="checkbox"/> EXPLORATORY <input type="checkbox"/> RECOMPLETE <input type="checkbox"/> REPAIR PROPOSED		PROPOSED FORMATION San Andres	PROPOSED WELL DEPTH 4550'		
WELL NAME AND NO. Harvard No. 1		LOCATION Sec. 31, T18S, R39E	<input checked="" type="checkbox"/> ORIGINAL <input type="checkbox"/> SUPPLEMENT	DATE 11/06/87	
CO./LEASE LEA	STATE N.M.	FIELD OR AREA Poscar San Andres	PROSPECT Cuidad		

Sub Account	0100-1822-XXX	INTANGIBLES	DRY HOLE	COMPLETION	TOTAL
001	Contract Drilling	4550 Ft. @ \$ 6.50/Ft.	\$ 29575	\$	\$ 29575
002	CONTRACT DAY WORK	Drilling on Day Work Days @ \$ /Day	3500	3500	7000
		Other Day Work 2 Days @ \$ 3500 /Day			
		Completion Rig 4 Days @ \$ 1600 /Day			
		Other Contractors Charges (Rig Up / Down)			
004	Location, Roads, Pits, Survey, Permits, Dredging, Damages		12000	2500	14500
005	Bits, Coreheads, Stabilizers, Reamers, etc.			500	500
006	Well Evaluation & Logging		5000	1000	6000
008	Mud and Chemicals		4000	1000	5000
007	Fuel, Power, Water		2500		2500
008	Cement and Cementing Services, Cementing Equipment, Hangers, Packers		5000	6000	11000
018	Land Transportation		500	500	1000
017	Marine Transportation				
018	Air Transportation				
011	Contract Services		3000		3000
013	Tool Rental Including Small Diameter Drill Pipe		1000	500	1500
014	Insurance		5000		5000
012	Stimulation Treatment			1000	1000
022	P & A Include Restore Location and Roads		3000		3000
010	Supervision: Engineering, Geological, Consultants		3600	1800	5400
030	Overhead		1800	900	2700
015	Other Well Services		750	750	1500
023	Miscellaneous Cost and Contingencies @ 20% .15%		11583	4403	15986
TOTAL INTANGIBLES			\$ 91808	\$ 30753	\$ 122561

Sub Account	0100-1823-XXX	TANGIBLES					DRY HOLE	COMPLETION	TOTAL
	CASING	FT.	IN.	LB.	GR.	@ \$			
001	Conductor						3900		3900
	Surface	300	8-5/8	24	K55	13			
002	Protection								
	Production	4550	5-1/2	14	K55	6			
003	Liner							27300	27300
004	Tubing	4450	2-3/8	4.7	J55	2.50		11125	11125
007	Wellhead Equipment						800	2000	2800
006	Other Controllable Subsurface Equipment							500	500
006	Non-Controllable Subsurface Equipment							500	500
008	Miscellaneous & Contingencies @ 10%						470	4143	4613
TOTAL TANGIBLES							5170	45568	50738
Total Well Cost Thru Christmas Tree							\$ 96978	\$ 76321	\$ 173299

Sub Account	0100-1823-XXX	PRODUCTION EQUIPMENT	DRY HOLE	COMPLETION	TOTAL
013	Tents and Accessory Equipment				4000
012	Non Controllable Surface Equipment & Contingencies @ 15%				8925
008	Pumping Unit and Engines & sucker rods				35000
010	Meters and Regulating Equipment				1500
014	Processing, Dehydration & Separation Equipment				15000
017	Platforms				
009	Field Pipelines and Lease Equipment				1500
015	Installation				2500
VAR	Facilities (018) Water Supply (019) Secondary Recovery (020)				
018	Compressors				
TOTAL PRODUCTION EQUIPMENT			\$	\$	\$ 68425
TOTAL PROJECT COST			\$ 96978	\$ 76321	\$ 241724

COMPANY OWNERSHIP		COMPANY COST - DRY HOLE		COMPANY COST - COMPLETED	
BCP %	ACP %	DATE		DATE	
PREPARED BY TWH	11/06/87	PRESIDENT <i>[Signature]</i>		11/10/87	
LAND	DATE	DISTRICT	DATE	ENGINEERING	DATE

JOINT INTEREST APPROVAL (Attach Separate Page if Necessary)

COMPANY NAME	WI %	APPROVAL
BRAD M. BENNETT	5.6350%	
COMPANY NAME	WI %	APPROVAL



Primary Fuels, Inc.
A Subsidiary of Houston Industries Incorporated

MARCH 3, 1988

ANADARKO
P. O. BOX 2497
MIDLAND, TX 79702

ATTN: MR. WAYNE WHEELIS

RE: S/2 Section 31, T-18-S, R-39-E
save and except the SW/4 of SE/4,
Lea County, New Mexico, containing
280 acres, more or less
Ciudad Prospect

Gentlemen:

Primary hereby proposes the formation of a working interest unit covering the captioned acreage for the purpose of drilling a 4550' San Andres test, tentatively located 1980' FWL and 330' FSL of Section 31. For your information, we have enclosed a copy of the AFE for our proposed well (PFI Harvard #1). If you do not desire to join in the drilling of the captioned well, we respectfully request that you farmout your interest subject to the following terms and conditions:

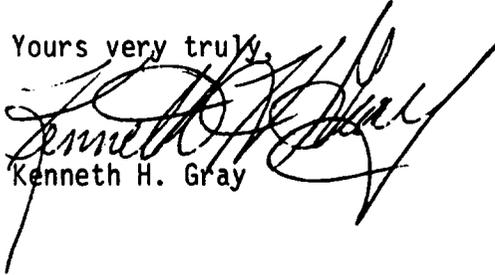
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 - a. Anadarko will assign to Primary 100% of his interest in the initial drillsite proration unit, retaining the difference between present existing lease burdens and 23%, conveying to Primary no less than a 77% net revenue interest. Upon payout of the initial test well, Bennett will have the option to exchange its retained override for a 25% interest in the initial proration unit.
 - b. Anadarko will assign to Primary 75% of his remaining acreage as outlined in the caption.
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3. The initial test well after payout, and all subsequent wells will be operated under the terms of an Operating Agreement acceptable to parties involved.
4. Appropriate tax language will be added to protect against any adverse tax consequences.

Ciudad Prospect
Page Two

We would appreciate being supplied with a copy of your previous Title Opinion and any other curative matter pertaining to this acreage.

Your prompt response to this request is appreciated, since Primary would like to commence this well as early as possible. Should you have any questions, please do not hesitate to call.

Yours very truly,



Kenneth H. Gray

KHG/syp

Enclosure

cc: Don Thompson

3/10/88 - Requested T. Opinion & Curative

**AUTHORIZATION FOR EXPENDITURE
DRILLING AND COMPLETION**

PRIMARY FUELS, INC.

OPERATOR Primary Fuels, Inc.		DISTRICT Midland		DRILLING AFE NO.		COMPLETION AFE NO.		Budget Year '87
<input type="checkbox"/> WILDCAT		<input checked="" type="checkbox"/> DEVELOPMENT		<input type="checkbox"/> EXPLORATORY		PROPOSED FORMATION San Andres		PROPOSED WELL DEPTH 4550'
<input type="checkbox"/> RECOMPLETE		<input type="checkbox"/> REPAIR PROPOSED		WELL NAME AND NO. Harvard No. 1		LOCATION Sec. 31, T185, R39E		<input checked="" type="checkbox"/> ORIGINAL <input type="checkbox"/> SUPPLEMENT DATE 11/06/87
CO./PROGRAM LEA		STATE N.M.		FIELD OR AREA Poster San Andres		PROSPECT Cuidad		

Sub Account	0100-1822-XXX INTANGIBLES				DRY HOLE	COMPLETION	TOTAL
001	Contract Drilling 4550 Ft. @ \$ 6.50/Ft.				\$ 29575	\$	\$ 29575
002	CONTRACT DAY WORK	Drilling on Day Work		Days @ \$ /Day	3500	3500	7000
		Other Day Work		2 Days @ \$ 3500 /Day			
		Completion Rig		4 Days @ \$ 1600 /Day			
003	Other Contractors Charges (Rig Up / Down)						
004	Location, Roads, Pits, Survey, Permits, Dredging, Damages				12000	2500	14500
005	Bits, Coreheads, Stabilizers, Reamers, etc.					500	500
006	Well Evaluation & Logging				5000	1000	6000
006	Mud and Chemicals				4000	1000	5000
007	Fuel, Power, Water				2500		2500
008	Cement and Cementing Services, Cementing Equipment, Hangers, Packers				5000	6000	11000
016	Land Transportation				500	500	1000
017	Marine Transportation						
018	Air Transportation						
011	Contract Services				3000		3000
013	Tool Rental Including Small Diameter Drill Pipe				1000	500	1500
014	Insurance				5000		5000
012	Stimulation Treatment					1000	1000
022	P & A Include Restore Location and Roads				3000		3000
010	Supervision: Engineering, Geological, Consultants				3600	1800	5400
030	Overhead				1800	900	2700
015	Other Well Services				750	750	1500
023	Miscellaneous Cost and Contingencies @ 20% .15%				11583	4403	15986
TOTAL INTANGIBLES					\$ 91808	\$ 30753	\$ 122561

Sub Account	0100-1823-XXX TANGIBLES						DRY HOLE	COMPLETION	TOTAL
	CASING	FT.	IN.	LB.	GR.	@ \$			
001	Conductor						3900		3900
	Surface	300	8-5/8	24	K55	13			
002	Protection								
003	Production	4550	5-1/2	14	K55	6		27300	27300
	Liner								
004	Tubing	4450	2-3/8	4.7	J55	2.50		11125	11125
007	Wellhead Equipment						800	2000	2800
006	Other Controllable Subsurface Equipment							500	500
008	Non-Controllable Subsurface Equipment							500	500
009	Miscellaneous & Contingencies @ 10%						470	4143	4613
TOTAL TANGIBLES							5170	45568	50738
Total Well Cost Thru Christmas Tree							\$ 96978	\$ 76321	\$ 173299

Sub Account	0100-1823-XXX PRODUCTION EQUIPMENT				DRY HOLE	COMPLETION	TOTAL
013	Tanks and Accessory Equipment						4000
012	Non Controllable Surface Equipment & Contingencies @ 15%						8925
008	Pumping Unit and Engines & sucker rods						35000
010	Meters and Regulating Equipment						1500
014	Processing, Dehydration & Separation Equipment						15000
017	Platforms						
009	Field Pipelines and Lease Equipment						1500
016	Installation						2500
VAR	Facilities (018) Water Supply (019) Secondary Recovery (020)						
016	Compressors						
TOTAL PRODUCTION EQUIPMENT					\$	\$	\$ 68425
TOTAL PROJECT COST					\$ 96978	\$ 76321	\$ 241724

COMPANY OWNERSHIP		COMPANY COST - DRY HOLE		COMPANY COST - COMPLETED	
BCP %	ACP %	DATE	PRESIDENT	DATE	DATE
TWM		11/06/87	<i>[Signature]</i>	11/10/87	
LAND	DATE	DISTRICT	DATE	ENGINEERING	DATE

JOINT INTEREST APPROVAL (Attach Separate Page if Necessary)

COMPANY NAME	WI %	APPROVAL
ANADARKO PETROLEUM CORPORATION	15.3125%	
COMPANY NAME	WI %	APPROVAL

OFFICE PHONE 505 393-5515 OR 397-3925
RESIDENCE 505 397-7002

Roy G. Barton, Jr.

Oil and Gas Producer

HOBBS, NEW MEXICO 88241

MAIN OFFICE
1919 N. TURNER

MAILING ADDRESS
P.O. Box 978

March 11, 1988

Primary Fuels, Inc.
319 W. Texas, Suite 201
Midland, Texas 79701

Re: S/2 Section 31, T-18-S, R-39-E,
Lea County, New Mexico #34-18-S

Attention: Kenneth Gray

Dear Mr. Gray:

Please be advised Barton Bros. Land & Royalty Co. will participate in the drilling of the above referenced property. Enclosed is the AFE executed by Roy G. Barton, Jr., General Partner.

If you need any additional information, please let me know.

Thank you.

Yours truly,

Joan Reynolds

Joan Reynolds

Enclosure



*Original: Don Thompson
Copy: Ciudad Prospect File.*

**AUTHORIZATION FOR EXPENDITURE
DRILLING AND COMPLETION**

PRIMARY FUELS, INC.

OPERATOR Primary Fuels, Inc.	DISTRICT Midland	DRILLING AFE NO.	COMPLETION AFE NO.	Budget Year '87
<input type="checkbox"/> WILDCAT <input type="checkbox"/> RECOMPLETE	<input checked="" type="checkbox"/> DEVELOPMENT <input type="checkbox"/> REPAIR PROPOSED	<input type="checkbox"/> EXPLORATORY	PROPOSED FORMATION San Andres	PROPOSED WELL DEPTH 4550'
WELL NAME AND NO. Harvard No. 1	LOCATION S/2 of Sec. 31, T185, R39E	<input checked="" type="checkbox"/> ORIGINAL <input type="checkbox"/> SUPPLEMENT	DATE 11/06/87	

CO./LEASE LEA	STATE N.M.	FIELD OR AREA Foster San Andres	PROSPECT Cuidad
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002		Other Day Work 2 Days @ \$ 3500 /Day	3500	3500	7000
002		Completion Rig 4 Days @ \$ 1600 /Day		6400	6400
003		Other Contractors Charges (Rig Up / Down)			
004	Location, Roads, Pits, Survey, Permits, Dredging, Damages		12000	2500	14500
005	Bits, Coreheads, Stabilizers, Reamers, etc.			500	500
009	Well Evaluation & Logging		5000	1000	6000
006	Mud and Chemicals		4000	1000	5000
007	Fuel, Power, Water		2500		2500
008	Cement and Cementing Services, Cementing Equipment, Hangers, Packers		5000	6000	11000
018	Land Transportation		500	500	1000
017	Marine Transportation				
018	Air Transportation				
011	Contract Services		3000		3000
013	Tool Rental Including Small Diameter Drill Pipe		1000	500	1500
014	Insurance		5000		5000
012	Stimulation Treatment			1000	1000
022	P & A Include Restore Location and Roads		3000		3000
010	Supervision: Engineering, Geological, Consultants		3600	1800	5400
030	Overhead		1800	900	2700
016	Other Well Services		750	750	1500
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TOTAL INTANGIBLES			\$ 91808	\$ 30753	\$ 122561

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COMPANY OWNERSHIP BCP % ACP 100 %	COMPANY COST - DRY HOLE	COMPANY COST - COMPLETED
PREPARED BY TWM	DATE 11/06/87	PRESIDENT <i>[Signature]</i>
LAND	DATE	DISTRICT
	DATE	ENGINEERING

JOINT INTEREST APPROVAL (Attach Separate Page if Necessary)

COMPANY NAME BARTON BROS. LAND & ROYALTY CO.	WI % 3.125%	APPROVAL <i>[Signature]</i>
COMPANY NAME	WI %	APPROVAL Roy G. Barton, Jr. <i>[Signature]</i>



Primary Fuels, Inc.
A Subsidiary of Houston Industries Incorporated

MARCH 3, 1988

BARTON BROS. LAND & ROYALTY CO.
P. O. BOX 968
HOBBS, NM 88201

ATTN: MR. ROY G. BARTON, JR.

RE: S/2 Section 31, T-18-S, R-39-E
save and except the SW/4 of SE/4,
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280 acres, more or less
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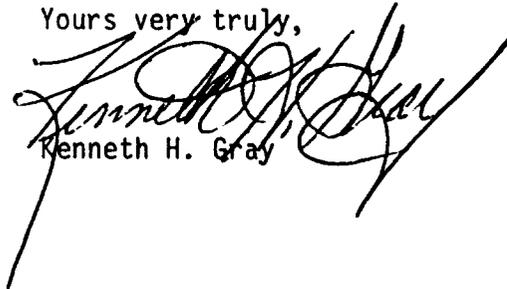
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Ciudad Prospect
Page Two

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Yours very truly,

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Kenneth H. Gray

KHG/syp

Enclosure

cc: Don Thompson

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CO./PERMIT LEA	STATE N.M.	FIELD OR AREA Foster San Andres	PROSPECT Cuidad
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	Surface	300	8-5/8	24	K55	13	3900		3900
002	Protection								
	Production	4550	5-1/2	14	K55	6			
003	Liner							27300	27300
004	Tubing	4450	2-3/8	4.7	J55	2.50		11125	11125
007	Wellhead Equipment						800	2000	2800
006	Other Controllable Subsurface Equipment							500	500
008	Non-Controllable Subsurface Equipment							500	500
009	Miscellaneous & Contingencies @ 10%						470	4143	4613
	TOTAL TANGIBLES						5170	45568	50738
	Total Well Cost Thru Christmas Tree						\$ 96978	\$ 76321	\$ 173299

Sub Account	0100-1823-XXX PRODUCTION EQUIPMENT						DRY HOLE	COMPLETION	TOTAL
013	Tanks and Accessory Equipment								4000
012	Non Controllable Surface Equipment & Contingencies @ 15%								8925
008	Pumping Unit and Engines & sucker rods								35000
010	Meters and Regulating Equipment								1500
014	Processing, Dehydration & Separation Equipment								15000
017	Platforms								
009	Field Pipelines and Lease Equipment								1500
016	Installation								2500
VAR	Facilities (018) Water Supply (019) Secondary Recovery (020)								
018	Compressors								
	TOTAL PRODUCTION EQUIPMENT						\$	\$	\$ 68425
	TOTAL PROJECT COST						\$ 96978	\$ 76321	\$ 241724

COMPANY OWNERSHIP		COMPANY COST - DRY HOLE		COMPANY COST - COMPLETED	
BCP %	ACP %	DATE	PRESIDENT	DATE	DATE
PREPARED BY	<i>JWP</i>	11/06/87	<i>D. C. [Signature]</i>	11/10/87	
LAND	DATE	DISTRICT	DATE	ENGINEERING	DATE

JOINT INTEREST APPROVAL (Attach Separate Page if Necessary)

COMPANY NAME	WI %	APPROVAL
BARTON BROS.	3.125%	
COMPANY NAME	WI %	APPROVAL



Primary Fuels, Inc.
A Subsidiary of Houston Industries Incorporated

APRIL 19, 1988

ANADARKO
P. O. BOX 2497
MIDLAND, TX 79702

ATTN: MR. WAYNE WHEELIS

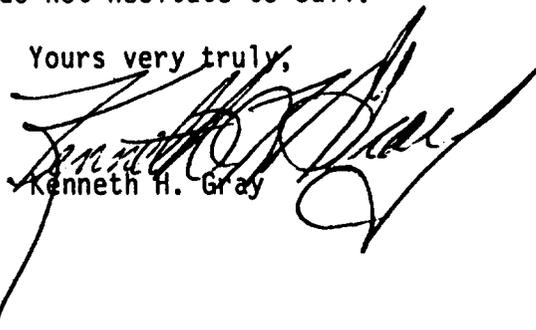
RE: S/2 Section 31, T-18-S, R-39-E
save and except the SW/4 of SE/4,
Lea County, New Mexico, containing
280 acres, more or less
Ciudad Prospect

Dear Wayne:

As a follow-up to our letter of March 3, 1988 and to various telephone conversations, enclosed herewith is a copy of an Operating Agreement for the captioned acreage, accompanied by an extra copy of the signature pages. It is requested that one copy of the signature page and AFE be returned to our Midland office at your earliest convenience. However, should you elect not to join with us, we again request that you consider our farmout terms as requested in our letter of March 3, 1988.

Should you have any questions, please do not hesitate to call.

Yours very truly,



Kenneth H. Gray

KHG/syp

Enclosures



Primary Fuels, Inc.
A Subsidiary of Houston Industries Incorporated

APRIL 19, 1988

BARTON BROS. LAND & ROYALTY CO.
P. O. BOX 968
HOBBS, NM 88201

ATTN: JOAN REYNOLDS

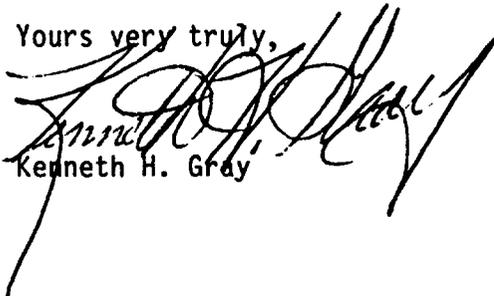
RE: S/2 Section 31, T-18-S, R-39-E
save and except the SW/4 of SE/4,
Lea County, New Mexico, containing
280 acres, more or less
Ciudad Prospect

Gentlemen:

As a follow-up to our letter of March 3, 1988, and to your response of March 11, 1988, we are enclosing herewith one copy of an Operating Agreement, accompanied by an extra copy of the signature pages. It is requested that the signature pages be signed by an authorized representative of your company and returned to this office at your earliest convenience.

Should you have any questions, please do not hesitate to call.

Yours very truly,



Kenneth H. Gray

KHG/syp

Enclosures

CAMPBELL & BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
J. SCOTT HALL
PETER N. IVES
JOHN H. BEMIS
MARTE D. LIGHTSTONE

GUADALUPE PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

April 6, 1988

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Anadarko Production Corporation
Post Office Box 2497
Midland, Texas 79702

Attn: Wayne Wheelis

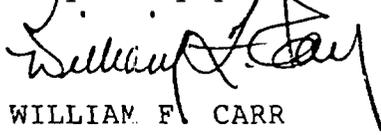
Re: Application of Primary Fuels, Inc. for Compulsory
Pooling, Lea County, New Mexico

Dear Sirs:

This letter is to advise you that Primary Fuels, Inc. has filed an application with the New Mexico Oil Conservation Division seeking the force pooling of all mineral interests to the base of the San Andres formation for any and all formations and/or pools developed on 40-acre spacing, in and under the SE/4 SW/4 of Section 31, Township 18 South, Range 39 East, N.M.P.M., Lea County, New Mexico. Primary Fuels, Inc. proposes to dedicate the referenced pooled unit to a well to be located at a standard location in the SE/4 SW/4 of said Section 31.

This application has been set for hearing before a Division Examiner on April 27, 1988. You are not required to attend this hearing, but as an owner of an interest that may be subject to pooling, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging this application at a later date.

Very truly yours,



WILLIAM F. CARR
ATTORNEY FOR PRIMARY FUELS, INC.

WFC/mlh

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 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. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery.

3. Article Addressed to: Anadarko Production Corporation
Post Office Box 2497
Midland, Texas 79702

4. Article Number P 112 385 397
Type of Service: Registered Insured
 Certified COD
 Express Mail

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Addressee X

6. Signature - Agent X *Wayne Wheelis*

7. Date of Delivery *4-8-88*

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

PS Form 3811, Feb. 1986

DOMESTIC RETURN RECEIPT

Attn: Wayne Wheelis
Anadarko Production Corporation
Post Office Box 2497
Midland, Texas 79702

April 6, 1988

2497 583 311 2497

CAMPBELL & BLACK, P.A.

LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
J. SCOTT HALL
PETER N. IVES
JOHN H. BEMIS
MARTE D. LIGHTSTONE

GUADALUPE PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 968-4421
TELECOPIER: (505) 963-6043

April 6, 1988

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Barton Brothers Land and
Royalty Company
Post Office Box 968
Hobbs, New Mexico 88201

Attn: Roy G. Barton, Jr.

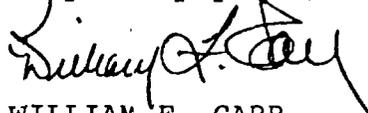
Re: Application of Primary Fuels, Inc. for Compulsory
Pooling, Lea County, New Mexico

Dear Sirs:

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This application has been set for hearing before a Division Examiner on April 27, 1988. You are not required to attend this hearing, but as an owner of an interest that may be subject to pooling, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging this application at a later date.

Very truly yours,



WILLIAM F. CARR
ATTORNEY FOR PRIMARY FUELS, INC.

WFC/mlh

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 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. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery.

3. Article Addressed to:
 Barton Brothers Land &
 Royalty Company
 Post Office Box 968
 Hobbs, New Mexico 88201
 Attn: Roy G. Barton, Jr.

4. Article Number
 P 112 385 394

Type of Service:
 Registered
 Certified
 Insured
 Express Mail
 COD

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Addressee
[Signature]

6. Addressee's Address (ONLY if requested and fee paid)
 RR - 8 1987

7. Date of Delivery
[Signature]

PS Form 3811, Feb. 1986

DOMESTIC RETURN RECEIPT

Barton Brothers Land & Royalty Company
 Post Office Box 968
 Hobbs, New Mexico 88201
 APR 6 1988

CAMPBELL & BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
J. SCOTT HALL
PETER N. IVES
JOHN H. BEMIS
MARTE D. LIGHTSTONE

GUADALUPE PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 958-4421
TELECOPIER: (505) 953-6043

April 6, 1988

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

M. Brad Bennett, Inc.
Post Office Box 2062
Midland, Texas 79702

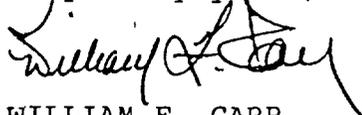
Re: Application of Primary Fuels, Inc. for Compulsory
Pooling, Lea County, New Mexico

Dear Sirs:

This letter is to advise you that Primary Fuels, Inc. has filed an application with the New Mexico Oil Conservation Division seeking the force pooling of all mineral interests to the base of the San Andres formation for any and all formations and/or pools developed on 40-acre spacing, in and under the SE/4 SW/4 of Section 31, Township 18 South, Range 39 East, N.M.P.M., Lea County, New Mexico. Primary Fuels, Inc. proposes to dedicate the referenced pooled unit to a well to be located at a standard location in the SE/4 SW/4 of said Section 31.

This application has been set for hearing before a Division Examiner on April 27, 1988. You are not required to attend this hearing, but as an owner of an interest that may be subject to pooling, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging this application at a later date.

Very truly yours,



WILLIAM F. CARR
ATTORNEY FOR PRIMARY FUELS, INC.

WFC/mlh

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 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. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery.

3. Article Addressed to: M. Brad Bennett, Inc.
Post Office Box 2062
Midland, Texas 79702

4. Article Number P 112 385 396

Type of Service:
 Registered
 Certified
 Insured
 Express Mail
 COD

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Addressee X

6. Signature - Agent X *John Houston*

7. Date of Delivery APR 11 1988

PS Form 3811, Feb. 1986 DOMESTIC RETURN RECEIPT

B. Brad Bennett, Inc.	
Post Office Box 2062	
Midland, Texas 79702	
	.25
	.85
	.90
	2.00
<i>April 6, 1988</i>	

96E 58E 22E 9

POSTAL SERVICE MAIL

POSTAGE WILL BE PAID BY ADDRESSEE

NO POSTAGE
NECESSARY
IF MAILED
IN THE
UNITED STATES

BEFORE THE
OIL CONSERVATION DIVISION
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT

RECEIVED
APR 6 1988
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION OF
PRIMARY FUELS, INC. FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.

CASE NO. _____

APPLICATION

PRIMARY FUELS, INC. by its undersigned attorneys, hereby makes application pursuant to Section 70-2-17, N.M.S.A. (1978) for an order pooling all of the mineral interests from the surface to the base of the San Andres formation (approximately 4550 feet) for any and all formations and/or pools developed on 40-acre spacing in and under the SE/4 SW/4 of Section 31, Township 18 South, Range 39 East, N.M.P.M., Lea County, New Mexico, and in support thereof would show the Division:

1. Applicant owns or represents approximately 76% of the working interest in and under the SE/4 SW/4 of Section 31, and Applicant has the right to drill thereon.

2. Applicant proposes to dedicate the above-referenced pooled unit to its Harvard Well No. 1 to be located at a standard location 330 feet from the South line and 1980 feet from the West line in the SE/4 SW/4 of said Section 31.

3. Applicant has sought and obtained either voluntary agreement for pooling or farmout from all other interest owners in the SE/4 SW/4 of said Section 31 except for the following interest owners:

Anadarko Production Corporation 15.3% W.I.
Post Office Box 2497
Midland, Texas 79702
Attn: Wayne Wheelis

M. Brad Bennett, Inc. 5.6% W.I.
Post Office Box 2062
Midland, Texas 79702

Barton Brothers Land and Royalty Company 3.0% M.I.
Post Office Box 968
Hobbs, New Mexico 88201
Attn: Roy G. Barton, Jr.

John Bayz .7% M.I.
(address unknown)

4. Said pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

5. In order to permit the Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, the mineral interests should be pooled, and Applicant should be designated the operator of the well to be drilled.

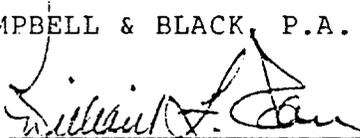
WHEREFORE, Applicant prays that this application be set for hearing before a duly appointed examiner of the Oil Conservation Division on April 27, 1988, and that after notice and hearing as required by law, the Division enter its order pooling the lands, including provisions for Applicant to recover its costs of drilling, equipping and completing the well, its costs of supervision while drilling and after completion, including

overhead charges, and imposing a risk factor for the risk assumed by the Applicant in drilling, completing and equipping the well, and making such other and further provisions as may be proper in the premises.

Respectfully submitted,

CAMPBELL & BLACK, P.A.

By



WILLIAM F. CARR
Post Office Box 2208
Santa Fe, New Mexico 87504
(505) 988-4421

ATTORNEYS FOR PRIMARY FUELS, INC.

**AUTHORIZATION FOR EXPENDITURE
DRILLING AND COMPLETION**

PRIMARY FUELS, INC.

OPERATOR Primary Fuels, Inc.	DISTRICT Midland	DRILLING AFE NO.	COMPLETION AFE NO.	BUDGET YEAR '87	
<input type="checkbox"/> WILDCAT <input checked="" type="checkbox"/> DEVELOPMENT <input type="checkbox"/> EXPLORATORY <input type="checkbox"/> RECOMPLETE <input type="checkbox"/> REPAIR PROPOSED		PROPOSED FORMATION San Andres	PROPOSED WELL DEPTH 4550'		
WELL NAME AND NO. Harvard No. 1		LOCATION Sec. 31, T185, R39E	<input checked="" type="checkbox"/> ORIGINAL <input type="checkbox"/> SUPPLEMENT		

CO./PROPERTY LEA	STATE N.M.	FIELD OR AREA Foster San Andres	PROSPECT Cuidad
----------------------------	----------------------	---	---------------------------

Sub Account	0100-1822-XXX INTANGIBLES	DRY HOLE	COMPLETION	TOTAL
001	Contract Drilling 4550 Ft. @ \$ 6.50/Ft.	\$ 29575	\$	\$ 29575
002	CONTRACT Drilling on Day Work Days @ \$ /Day			
	Other Day Work 2 Days @ \$ 3500 /Day	3500	3500	7000
002	DAY Completion Rig 4 Days @ \$ 1600 /Day		6400	6400
003	WORK Other Contractors Charges (Rig Up / Down)			
004	Location, Roads, Pits, Survey, Permits, Dredging, Damages	12000	2500	14500
005	Bits, Coreheads, Stabilizers, Reamers, etc.		500	500
009	Well Evaluation & Logging	5000	1000	6000
006	Mud and Chemicals	4000	1000	5000
007	Fuel, Power, Water	2500		2500
008	Cement and Cementing Services, Cementing Equipment, Hangers, Packers	5000	6000	11000
016	Land Transportation	500	500	1000
017	Marine Transportation			
018	Air Transportation			
011	Contract Services	3000		3000
013	Tool Rental Including Small Diameter Drill Pipe	1000	500	1500
014	Insurance	5000		5000
012	Stimulation Treatment		1000	1000
022	P & A Include Restore Location and Roads	3000		3000
010	Supervision: Engineering, Geological, Consultants	3600	1800	5400
030	Overhead	1800	900	2700
015	Other Well Services	750	750	1500
023	Miscellaneous Cost and Contingencies @ 20% 15%	11583	4403	15986
	TOTAL INTANGIBLES	\$ 91808	\$ 30753	\$ 122561

Sub Account	0100-1823-XXX TANGIBLES						DRY HOLE	COMPLETION	TOTAL
	CASING	FT.	IN.	LB.	GR.	@ \$			
001	Conductor						3900		3900
	Surface	300	8-5/8	24	K55	13			
002	Protection								
003	Production	4550	5-1/2	14	K55	6		27300	27300
004	Liner								
004	Tubing	4450	2-3/8	4.7	J55	2.50		11125	11125
007	Wellhead Equipment						800	2000	2800
005	Other Controllable Subsurface Equipment							500	500
006	Non-Controllable Subsurface Equipment							500	500
008	Miscellaneous & Contingencies @ 10%						470	4143	4613
	TOTAL TANGIBLES						5170	45568	50738
	Total Well Cos: Thru Christmas Tree						\$ 96978	\$ 76321	\$ 173299

Sub Account	0100-1823-XXX PRODUCTION EQUIPMENT						DRY HOLE	COMPLETION	TOTAL
013	Tanks and Accessory Equipment								4000
012	Non Controllable Surface Equipment & Contingencies @ 15%								8925
008	Pumping Unit and Engines & sucker rods								35000
010	Meters and Regulating Equipment								1500
014	Processing, Dehydration & Separation Equipment								15000
017	Platforms								
009	Field Pipelines and Lease Equipment								1500
015	Installation								2500
VAR	Facilities (018) Water Supply (019) Secondary Recovery (020)								
016	Compressors								
	TOTAL PRODUCTION EQUIPMENT								\$ 68425
	TOTAL PROJECT COST						\$ 96978	\$ 76321	\$ 241724

COMPANY OWNERSHIP		COMPANY COST - DRY HOLE		COMPANY COST - COMPLETED	
BCP %	ACP %	DATE	PRESIDENT	DATE	DATE
TWM	11/06/87	11/06/87	<i>[Signature]</i>	11/10/87	
LAND	DATE	DISTRICT	DATE	ENGINEERING	DATE
JOINT INTEREST APPROVAL (Attach Separate Page if Necessary)					
COMPANY NAME		WI %	APPROVAL		
COMPANY NAME		WI %	APPROVAL		

BEFORE EXAMINER CATANACH
OIL CONSERVATION DIVISION

EXHIBIT NO. 4

CASE NO. 9361