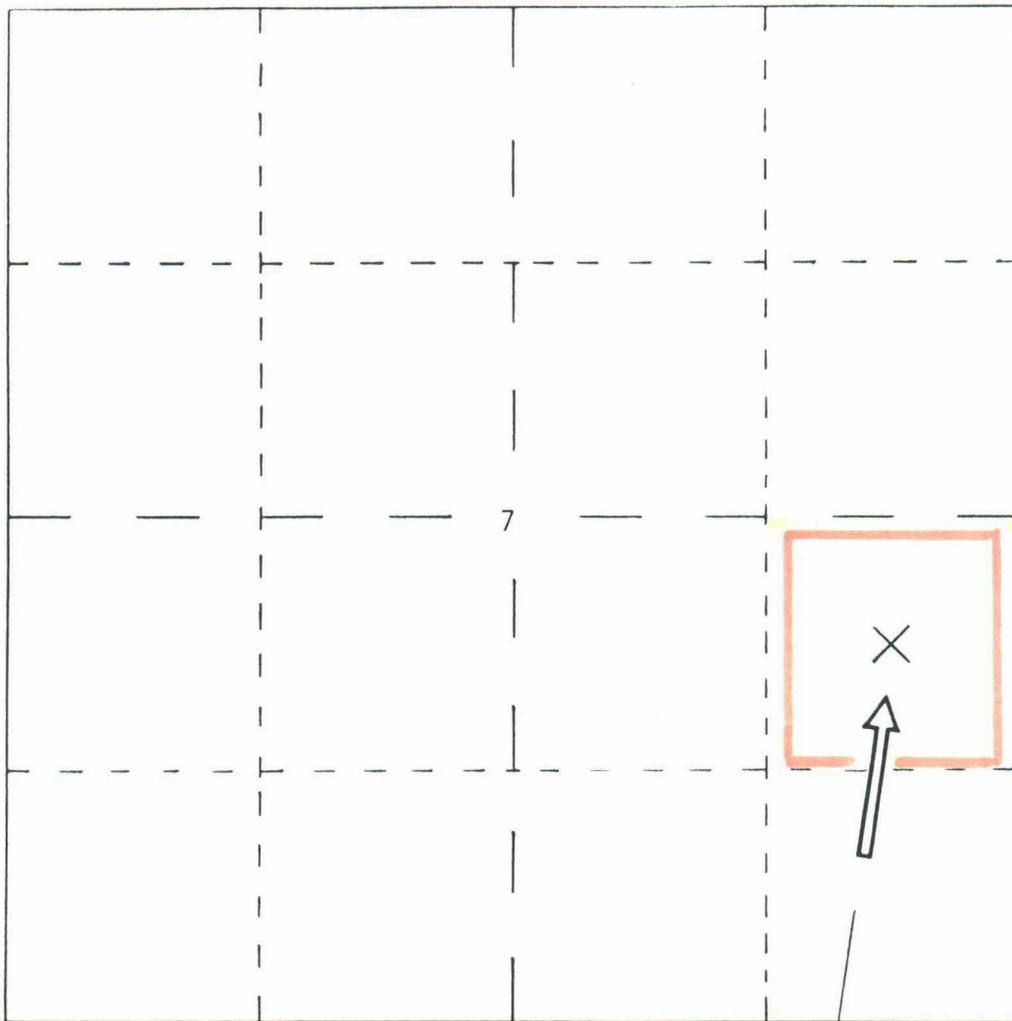




PROPOSED LOCATION

Ethridge 1-7
Section 7: NE/4 SE/4
T16S - R37E
Lea County, New Mexico
South Dean Prospect



at a legal location

1" = 1000 FT.

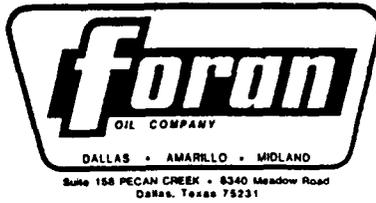
BEFORE EXAMINER CATANACH
OIL CONSERVATION DIVISION
Foran EXHIBIT NO. 2
CASE NO. 9391

Working Interests
 Proposed Ethridge #1-7
 South Dean Prospect
 Section 7: E/2 SE/4, T16S-R37E
 Lea County, New Mexico

OWNER	UNIT INTEREST	STATUS
1. Sohio	36.485%	Join/Farmout
2. Foran	35.792%	Join
3. Harvey E. Yates Co.	10.265%	Join/Farmout
4. Explorers Petroleum Corp.	1.480%	Join/Farmout
5. Spiral, Inc.	1.480%	Join/Farmout
6. Yates Energy Corp.	6.504%	Join/Farmout
-7. Jeanne Van Zant Sanders	2.344%	Join/Lease
-8. J.H. Van Zant II	2.344%	Join/Lease
-9. Nitrom Enterprises	1.406%	Join/Farmout/Ls.
10. Roy G. Barton, Jr.	0.235%	Join
11. Roy G. Barton, Trustee	0.177%	Join
12. Barton Bros. Land & Royalty Co.	0.708%	Join
-13. E. B. White	0.391%	Lease
-14. Harry A. Miller, Jr.	0.195%	Lease
-15. Harry A. Miller, III	0.097%	Lease
-16. Margaret Ann Miller Carrico	0.097%	Lease
	100.000%	

Handwritten signature

Foran 3
 CASE NO. 9391



Parties to be Pooled
 Proposed Ethridge 1-7 Well
 South Dean Prospect
 Section 7: E/2 SE/4, T16S-R37E
 Lea County, New Mexico

<u>Working Interest Owners</u>	<u>40 or 80 Acre Unit Interest</u>	<u>-80- Net Acres</u>	<u>-40- Net Acres</u>
1. Doris Cross McAdoo 2048 Amherst Drive South Pasadena, CA 91030	.354	.2832	.1416
2. Wells Fargo Bank, Successor Trustee Under Will Of Eleanor Wilson McAdoo Oil, Gas and Mineral Administration 2222 West Shaw Avenue, Suite 11 Fresno, CA 93711 Attention: Mr. Gregory A. Schlepp	.354	.2832	.1416
+ 3. Nitrom Enterprises, Inc. P.O. Box 3341 Midland, TX 79702 Attention: Mr. C.D. Martin	1.406	1.1250	.5625
+ 4. Jeanne Van Zant Sanders Sinclair Building, Suite 508 106 West Fifth Street Fort Worth, TX 76102	2.344	1.8750	.9375
L 5. J.H. Van Zant II 1730 Commerce Building 307 West Seventh Street Fort Worth, TX 76102-5173	2.344	1.875	.9375
L 6. E.B. White, Jr. P.O. Box 2052 Midland, TX 79720	.391	.3125	.1563
+ 7. Harry A. Miller, Jr. Harry A. Miller III Margaret Ann Miller Carrico 303 West Wall Street, Suite 600 Midland, TX 79701	.195 .097 .097	.1563 .0781 .0781	.0781 .0391 .0391
	7.582%	6.0664	3.0333

BEFORE DRILLING DATA MATCH
 OIL COMPLETION DIVISION
 Foran EXHIBIT NO. 4
 CASE NO: 9391

FORAN OIL COMPANY

SUITE 158, PECAN CREEK
8140 MEADOW ROAD
DALLAS, TEXAS 75231
(214) 373-8792

April 4, 1988

Harry A. Miller, Jr.
303 West Wall Street, Suite 600
Midland, TX 79701

Re: Well Proposal - Ethridge 1-7
Section 7: E/2 SE/4, T16S-R37E
Lea County, New Mexico

Gentlemen:

Foran Oil Company is proposing the drilling of an 11,800' Strawn test at a legal location in the noted lands. You are respectfully invited to join in the drilling of this well. Attached is an AFE detailing the associated drilling costs and your working interest share. Foran has also proposed the Caudill 2-8 well to be drilled in Section 8: W/2 SW/4, and the Ethridge 1-7 will be the offset location to the Caudill 2-8. Proposed fixed drilling and producing rates are \$5,000.00 and \$500.00 per month. If you do not wish to participate, Foran requests that you support the well proposed herein and the Caudill 2-8 well by farming out your interest under the two drill site spacing units, delivering a 77.5% net revenue lease, proportionately reduced, or by leasing your minerals for three (3) years at \$150.00 per acre bonus with a 3/16 royalty.

Foran is requesting that you make an election to support this well and a commitment to join, farmout, or lease your interest on some reasonable basis. We invite your response and questions to this request and hope that you can indicate your election by inserting the appropriate option below and returning an executed copy of this letter. Time is of the essence and your early response to this matter would be appreciated.

Very truly yours,

Joseph Wm. Foran

Joseph Wm. Foran
President

ELECT TO: Join _____ Farmout _____

BY: _____ DATED: _____

U.S. G.P.O. 1937403

Harry A. Miller, Jr. Harry A. Miller III Margaret Ann Miller Carrico
303 W. Wall St., Ste. 600
Midland TX 79701

.45
.85
.90

PS Form 3800, June 1985

2.20

4/4/88

BEFORE EXAMINER CATANACH
OIL CONSERVATION DIVISION

FORAN EXHIBIT NO. 5

CASE NO. 9391

FORAN OIL COMPANY

SUITE 158, PECAN CREEK
8340 MEADOW ROAD
DALLAS, TEXAS 75231
(214) 373-8792

April 4, 1988

Ms. Margaret Ann Miller Carrico
303 West Wall St., Suite 600
Midland, TX 79701

BEFORE EXAMINER CATANACH	
OIL CONSERVATION DIVISION	
Foran	EXHIBIT NO. <u>6</u>
CASE NO. <u>9391</u>	

Re: Well Proposal - Ethridge 1-7
Section 7: E/2 SE/4, T16S-R37E
Lea County, New Mexico

Gentlemen:

Foran Oil Company is proposing the drilling of an 11,800' Strawn test at a legal location in the noted lands. You are respectfully invited to join in the drilling of this well. Attached is an AFE detailing the associated drilling costs and your working interest share. Foran has also proposed the Caudill 2-8 well to be drilled in Section 8: W/2 SW/4, and the Ethridge 1-7 will be the offset location to the Caudill 2-8. Proposed fixed drilling and producing rates are \$5,000.00 and \$500.00 per month. If you do not wish to participate, Foran requests that you support the well proposed herein and the Caudill 2-8 well by farming out your interest under the two drill site spacing units, delivering a 77.5% net revenue lease, proportionately reduced, or by leasing your minerals for three (3) years at \$150.00 per acre bonus with a 3/16 royalty.

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Very truly yours,


Joseph Wm. Foran
President

ELECT TO: Join_____ Farmout_____ Lease_____

BY: _____ DATED: _____

FORAN OIL COMPANY

SUITE 158, PECAN CREEK

8040 MEADOW ROAD

DALLAS, TEXAS 75239

(214) 373-8792

April 4, 1988

Harry A. Miller, III
303 West Wall St., Suite 600
Midland, TX 79701

Re: Well Proposal - Ethridge 1-7
Section 7: E/2 SE/4, T16S-R37E
Lea County, New Mexico

BEFORE EXAMINER CATANACH	
OIL CONSERVATION DIVISION	
<u>Foran</u>	EXHIBIT NO. <u>7</u>
CASE NO. <u>9391</u>	

Gentlemen:

Foran Oil Company is proposing the drilling of an 11,800' Strawn test at a legal location in the noted lands. You are respectfully invited to join in the drilling of this well. Attached is an AFE detailing the associated drilling costs and your working interest share. Foran has also proposed the Caudill 2-8 well to be drilled in Section 8: W/2 SW/4, and the Ethridge 1-7 will be the offset location to the Caudill 2-8. Proposed fixed drilling and producing rates are \$5,000.00 and \$500.00 per month. If you do not wish to participate, Foran requests that you support the well proposed herein and the Caudill 2-8 well by farming out your interest under the two drill site spacing units, delivering a 77.5% net revenue lease, proportionately reduced, or by leasing your minerals for three (3) years at \$150.00 per acre bonus with a 3/16 royalty.

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Very truly yours,


Joseph Wm. Foran
President

ELECT TO: Join_____ Farmout_____ Lease_____

BY: _____ DATED: _____

FORAN OIL COMPANY

SUITE 158, PECAN CREEK
8440 MEADOW ROAD
DALLAS, TEXAS 75231
(214) 373-8792

April 4, 1988

E.B. White, Jr.
P.O. Box 2052
Midland, TX 79720

Re: Well Proposal - Ethridge 1-7
Section 7: E/2 SE/4, T16S-R37E
Lea County, New Mexico

Gentlemen:

Foran Oil Company is proposing the drilling of an 11,800' Strawn test at a legal location in the noted lands. You are respectfully invited to join in the drilling of this well. Attached is an AFE detailing the associated drilling costs and your working interest share. Foran has also proposed the Caudill 2-8 well to be drilled in Section 8: W/2 SW/4, and the Ethridge 1-7 will be the offset location to the Caudill 2-8. Proposed fixed drilling and producing rates are \$5,000.00 and \$500.00 per month. If you do not wish to participate, Foran requests that you support the well proposed herein and the Caudill 2-8 well by farming out your interest under the two drill site spacing units, delivering a 77.5% net revenue lease, proportionately reduced, or by leasing your minerals for three (3) years at \$150.00 per acre bonus with a 3/16 royalty.

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Very truly yours,

Joseph Wm. Foran
Joseph Wm. Foran
President

BEFORE EXAMINER CATANACH
OIL CONSERVATION DIVISION

ELECT TO: Join _____

Farmout _____

Foran
Lease EXHIBIT NO. 8

BY: _____

DATE: _____
CASE NO. 9391

E.B. White, Jr.	
P.O. Box 2052	
Midland, TX 79720	
	.25
	.85
	.90
	2.00
4/4/88	

214

214

P 785 503 833

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED

NOT FOR INTERNATIONAL MAIL

(See Reverse)

FORAN OIL COMPANY

SUITE 158, PECAN CREEK

8140 MEADOW ROAD

DALLAS, TEXAS 75231

(214) 373-8792

April 4, 1988

Jeanne Van Zant Sanders
Sinclair Building, Suite 508
106 West Fifth Street
Fort Worth, TX 76102

Re: Well Proposal - Ethridge 1-7
Section 7: E/2 SE/4, T16S-R37E
Lea County, New Mexico

Gentlemen:

Foran Oil Company is proposing the drilling of an 11,800' Strawn test at a legal location in the noted lands. You are respectfully invited to join in the drilling of this well. Attached is an AFE detailing the associated drilling costs and your working interest share. Foran has also proposed the Caudill 2-8 well to be drilled in Section 8: W/2 SW/4, and the Ethridge 1-7 will be the offset location to the Caudill 2-8. Proposed fixed drilling and producing rates are \$5,000.00 and \$500.00 per month. If you do not wish to participate, Foran requests that you support the well proposed herein and the Caudill 2-8 well by farming out your interest under the two drill site spacing units, delivering a 77.5% net revenue lease, proportionately reduced, or by leasing your minerals for three (3) years at \$150.00 per acre bonus with a 3/16 royalty.

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Very truly yours,

Joe Foran
Joseph Wm. Foran
President

BEFORE EXAMINER CATANACH
OIL CONSERVATION DIVISION

Foran EXHIBIT NO. 10

LEASE NO. 9391

ELECT TO: Join _____ Farmout _____

BY: _____

DATED: _____

PS Form 3800, June 1985

Sent to		Jeanne Van Zant Sanders
Street and No		508 Sinclair Bldg. 106 West Fifth Street
P.O. State and ZIP Code		Fort Worth TX 76102
Postage		\$.25
Certified Fee		.85
Special Delivery Fee		
Restricted Delivery Fee		
Return Receipt showing to whom and Date Delivered		.90
Return Receipt showing to whom Date, and Address of Delivery		
TOTAL Postage and Fees		\$ 2.00
Postmark or Date		4/4/88

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

FORAN OIL COMPANY

SUITE 158, PECAN CREEK
8340 MEADOW ROAD
DALLAS, TEXAS 75231
(214) 373-8792

April 4, 1988

Nitrom Enterprises, Inc.
P.O. Box 3341
Midland TX 79702

ATTN: Mr. C.D. Martin

Re: Well Proposal - Ethridge 1-7
Section 7: E/2 SE/4, T16S-R37E
Lea County, New Mexico

Gentlemen:

Foran Oil Company is proposing the drilling of an 11,800' Strawn test at a legal location in the noted lands. You are respectfully invited to join in the drilling of this well. Attached is an AFE detailing the associated drilling costs and your working interest share. Foran has also proposed the Caudill 2-8 well to be drilled in Section 8: W/2 SW/4, and the Ethridge 1-7 will be the offset location to the Caudill 2-8. Proposed fixed drilling and producing rates are \$5,000.00 and \$500.00 per month. If you do not wish to participate, Foran requests that you support the well proposed herein and the Caudill 2-8 well by farming out your interest under the two drill site spacing units, delivering a 77.5% net revenue lease, proportionately reduced, or by leasing your minerals for three (3) years at \$150.00 per acre bonus with a 3/16 royalty.

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Very truly yours,

Joseph Wm. Foran
Joseph Wm. Foran
President

ELECT TO: Join _____ Farmout _____

BY: _____

DATED: _____

BEFORE EXAMINER CATANACH

OIL CONSERVATION DIVISION

FORAN EXHIBIT NO. 11

Lease _____ CASE NO. 9391

Sent to <i>Nitrom Enterprises</i>	
Street and No <i>PO Box 3341</i>	
P.O. State and ZIP Code <i>Midland TX 79702</i>	
Postage	\$ <i>.25</i>
Certified Fee	<i>.85</i>
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	<i>.90</i>
Return Receipt showing to whom Date and Address of Delivery	
TOTAL Postage and Fees	\$ <i>2.00</i>
Postmark or Date <i>4/4/88</i>	

PS Form 3800, June 1985

FORAN OIL COMPANY

SUITE 158, PECAN CREEK
8440 MEADOW ROAD
DALLAS, TEXAS 75231
(214) 373-8792

April 4, 1988

Wells Fargo Bank, Successor Trustee
Under Will of Eleanor Wilson McAdoo
Oil, Gas and Mineral Administration
2222 West Shaw Avenue, Suite 11
Fresno, CA 93711

ATTN: Mr. Gregory A. Schlepp

Re: Well Proposal - Ethridge 1-7
Section 7: E/2 SE/4, T16S-R37E
Lea County, New Mexico

Gentlemen:

Foran Oil Company is proposing the drilling of an 11,800' Strawn test at a legal location in the noted lands. You are respectfully invited to join in the drilling of this well. Attached is an AFE detailing the associated drilling costs and your working interest share. Foran has also proposed the Caudill 2-8 well to be drilled in Section 8: W/2 SW/4, and the Ethridge 1-7 will be the offset location to the Caudill 2-8. Proposed fixed drilling and producing rates are \$5,000.00 and \$500.00 per month. If you do not wish to participate, Foran requests that you support the well proposed herein and the Caudill 2-8 well by farming out your interest under the two drill site spacing units, delivering a 77.5% net revenue lease, proportionately reduced, or by leasing your minerals for three (3) years at \$150.00 per acre bonus with a 3/16 royalty.

Foran is requesting that you make an election to support this well and a commitment to join, farmout, or lease your interest on some reasonable basis. We invite your response and questions to this request and hope that you can indicate your election by inserting the appropriate option below and returning an executed copy of this letter. Time is of the essence and your early response to this matter would be appreciated.

Very truly yours,

Joe Foran
Joseph Wm. Foran
Resident

RECORD EXAMINER CATHY YACH
OIL CONSERVATION DIVISION

FORAN EXHIBIT NO. **12**

ELECT TO: Join _____ Farmout _____

PLEASE **9391**

BY: _____

DATED: _____

RECEIPT FOR CERTIFIED MAIL
WELLS FARGO BANK
Oil, Gas and Mineral Administration
2222 West Shaw Avenue Suite 11
Fresno, CA 93711
0.25
0.85
0.90
2.00
4/4/88

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

FORAN OIL COMPANY

SUITE 158, PECAN CREEK
8340 MEADOW ROAD
DALLAS, TEXAS 75231
(214) 373-8792

April 4, 1988

Ms. Doris Cross McAdoo
2048 Amherst Drive
South Pasadena, CA 91030

Re: Well Proposal - Ethridge 1-7
Section 7: E/2 SE/4, T16S-R37E
Lea County, New Mexico

Gentlemen:

Foran Oil Company is proposing the drilling of an 11,800' Strawn test at a legal location in the noted lands. You are respectfully invited to join in the drilling of this well. Attached is an AFE detailing the associated drilling costs and your working interest share. Foran has also proposed the Caudill 2-8 well to be drilled in Section 8: W/2 SW/4, and the Ethridge 1-7 will be the offset location to the Caudill 2-8. Proposed fixed drilling and producing rates are \$5,000.00 and \$500.00 per month. If you do not wish to participate, Foran requests that you support the well proposed herein and the Caudill 2-8 well by farming out your interest under the two drill site spacing units, delivering a 77.5% net revenue lease, proportionately reduced, or by leasing your minerals for three (3) years at \$150.00 per acre bonus with a 3/16 royalty.

Foran is requesting that you make an election to support this well and a commitment to join, farmout, or lease your interest on some reasonable basis. We invite your response and questions to this request and hope that you can indicate your election by inserting the appropriate option below and returning an executed copy of this letter. Time is of the essence and your early response to this matter would be appreciated.

Very truly yours,

Joe Foran
Joseph Wm. Foran
President

BEFORE EXAMINER CATANACH
OIL CONSERVATION DIVISION

ELECT TO: Join _____ Farmout _____

BY: _____

DATED: _____

Foran EXHIBIT NO. 13
Lease _____ 9391
CASE NO. _____

Sent to <i>Doris Cross McAdoo</i>	
Street and No <i>2048 Amherst Dr.</i>	
P.O. State and ZIP Code <i>South Pasadena CA 91030</i>	
Postage	\$ <i>.25</i>
Certified Fee	<i>.85</i>
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	<i>.90</i>
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$ <i>2.00</i>
Postmark or Date <i>4/4/88</i>	

PS Form 3800, June 1985

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

IN THE MATTER OF THE APPLICATION
OF FORAN OIL COMPANY FOR
COMPULSORY POOLING
LEA COUNTY, NEW MEXICO.

CASE: 9391

CERTIFICATE OF MAILING
AND
COMPLIANCE WITH ORDER R-8054

In accordance with Division Rule 1207 (Order R-8054) I hereby certify that on May 2, 1988, notice of the hearing, and a copy of the application for the above referenced case, was mailed at least twenty days prior to hearings originally set for May 25, 1988 to the interested party listed on Exhibit "C" attached to the application.


W. Thomas Kellahin

SUBSCRIBED AND SWORN to before me this 7th day of June ~~May~~ 1988.


Notary Public

My Commission Expires:

9-26-91

BEFORE EXAMINER CATANACH OIL CONSERVATION DIVISION <u>FORAN</u> EXHIBIT NO. <u>14</u> CASE NO. <u>9391</u>

KELLAHIN, KELLAHIN AND AUBREY

Attorneys at Law

W. Thomas Kellahin
Karen Aubrey

El Patio - 117 North Guadalupe

Telephone 982-4285
Area Code 505

Jason Kellahin
Of Counsel

Post Office Box 2265
Santa Fe, New Mexico 87504-2265

April 30, 1988

RECEIVED

MAY 2 1988

OIL CONSERVATION DIVISION

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

"Hand Delivered"

Re: Ethridge 10-7 Well
Application of Foran Oil Company
for Compulsory Pooling
Lea County, New Mexico

Dear Mr. LeMay:

Please find enclosed our application on behalf of Foran Oil Company for a compulsory pooling order. We request that this application be set on the examiner's docket now scheduled for May 25, 1988.

We suggest the following for an advertisement for the newspaper and for the docket:

Application of Foran Oil 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 Strawn formation or to a depth of approximately 13,000 feet, whichever is deeper, underlying the E/2SE/4 of Section 7, T16S, R37E, Lea County, New Mexico, forming a 80-acre, more or less, standard oil spacing and proration unit for the Northeast Lovington Penn Oil Pool spacing, to be dedicated to a well to be drilled at a standard oil 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 unit is located on _____.

KELLAHIN, KELLAHIN & AUBREY

Mr. William J. LeMay
April 29, 1988
Page 2

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: Mr. Joe Foran
Foran Oil Company
8340 Meadow Road
Dallas, Texas 75231

"Certified Return-Receipt Requested"
All Parties listed in Application

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 [†](Extra charge)†

3. Article Addressed to: Nitrom, Inc.
2504 Auburn Place
Midland, Texas 79705

4. Article Number: P955861590

Type of Service: Registered Insured Certified COD Express Mail

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Addressee: _____

6. Signature - Agent: [Signature]

7. Date of Delivery: 5-16-88

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

PS Form 3811, Mar. 1987 * U.S.G.P.O. 1987-178-268 DOMESTIC RETURN RECEIPT

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 [†](Extra charge)†

3. Article Addressed to: Doris Cross McAdoo
2048 Amherst Drive
S. Pasadena, CA 91030

4. Article Number: P955861588

Type of Service: Registered Insured Certified COD Express Mail

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Addressee: [Signature]

6. Signature - Agent: [Signature]

7. Date of Delivery: 5-14-88

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

PS Form 3811, Mar. 1987 * U.S.G.P.O. 1987-178-268 DOMESTIC RETURN RECEIPT

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 [†](Extra charge)†

3. Article Addressed to: Harry A. Miller, Jr.
Margaret Ann Miller Carrico
Harry A. Miller, III
Suite 600, 303 W. Wall St.
Midland, Texas 79701

4. Article Number: P955861594

Type of Service: Registered Insured Certified COD Express Mail

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Addressee: [Signature]

6. Signature - Agent: [Signature]

7. Date of Delivery: 5-2-88

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

PS Form 3811, Mar. 1987 * U.S.G.P.O. 1987-178-268 DOMESTIC RETURN RECEIPT

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 [†](Extra charge)†

3. Article Addressed to: WELLS Fargo Bank, Trustee
of Eleanor Wilson McAdoo
Oil, Gas & Mineral Admin.
2222 West Shaw Ave. #11
Fresno, CA 93711

4. Article Number: P955861585

Type of Service: Registered Insured Certified COD Express Mail

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Addressee: [Signature]

6. Signature - Agent: [Signature]

7. Date of Delivery: 5-14-88

8. Addressee's Address (ONLY if requested and fee paid): [Signature]

PS Form 3811, Mar. 1987 * U.S.G.P.O. 1987-178-268 DOMESTIC RETURN RECEIPT

Feran 5/25/88 Ethridge

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. Restricted Delivery
↑(Extra charge)↑

3. Article Addressed to:
Jeanne Van Zant Sanders
Suite 508, Sinclair Bldg.
106 W. 5th Street
Fort Worth, Texas 76102

4. Article Number
P955 861 591

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 Fred M. Haswell

7. Date of Delivery
5-4-88

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

PS Form 3811, Mar. 1987 * U.S.G.P.O. 1987-178-268 DOMESTIC RETURN RECEIPT

Feran 5/25/88 Ethridge

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. Restricted Delivery
↑(Extra charge)↑

3. Article Addressed to:
J. H. Zan Vant II
1730 Commerce Bldg.
307 W. 7th Street
Fort Worth, Texas 76102-5173

4. Article Number
P955 861 592

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 J H Van Zant II

7. Date of Delivery
5-5-88

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

PS Form 3811, Mar. 1987 * U.S.G.P.O. 1987-178-268 DOMESTIC RETURN RECEIPT

Feran 5/25/88 Ethridge

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. Restricted Delivery
↑(Extra charge)↑

3. Article Addressed to:
E. B. White, Jr.
P. O. Box 2052
Midland, Texas 79720

4. Article Number
P955 861 593

Type of Service:
 Registered Insured
 Certified COD
 Express Mail

Always obtain signature of addressee or agent and **DATE DELIVERED.**

5. Signature - Addressee
X E B White Jr

6. Signature - Agent
X

7. Date of Delivery
5/25/88

8. Addressee's Address (ONLY if requested and fee paid)
Free 104 PP

FORAN OIL COMPANY
 SUITE 15K, PECAN CREEK
 1140 MEADOW ROAD
 DALLAS, TEXAS 75211
 (214) 373-8792

BY JOHN D. MINNER CATANACH
 REGISTRATION DIVISION

Foran EXHIBIT NO. 15

9391

CASE NO.

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

DATE February 26, 1988

WELL NO. _____ LEASE NAME ETHRIDGE 1-7

PROSPECT NAME South Dean

DESCRIPTION Drill & Equip A 11,800' Strawn Test

COUNTY Lea STATE New Mexico

LOCATION SEC 7: ESE,
T16S-R37E

OPERATOR Foran Oil Company

	DRY HOLE WITHOUT PIPE	COMPLETED WELL
LOCATION B DAMAGES	23,100	24,500
FOOTAGE/MH-RUN TO 11,800' @ \$12.70/Ft.	149,860	149,860
CONTRACT DRILLING DAYWORK \$4200/Day	12,600	16,800
CEMENTING B SERVICES	14,000	22,000
DRILL STEM TEST B CORING	5,600	5,600
LOGGING	24,000	24,000
GEOLOGICAL	7,500	7,500
MUD MATERIALS	18,400	18,400
TRUCKING B LABOR	7,500	10,000
SUPERVISION	10,500	14,700
BITS B EQUIPMENT RENTAL	11,000	13,500
FUEL/WATER	2,000	3,000
COMBINED FIXED RATE	6,000	8,000
PLUGGING B ABANDONMENT	-	-
WELL SURVEYS/TEST SERVICES	-	-
COMPLETION UNIT	-	7,500
CENTRALIZERS B SCRATCHERS	-	-
PERFORATING/LOGGING	-	7,500
FRAC AND/OR ACID	-	5,500
OTHER	-	-
CONTINGENCY	20,000	25,000
TOTAL INTANGIBLE	312,060	363,360

	DRY HOLE WITHOUT PIPE	COMPLETED WELL
CASING-CONDUCTOR	-	-
CASING-SURFACE 450' 13-3/8" @ \$24.50/Ft.	11,025	11,025
CASING-INTERMEDIATE 4600' 8-5/8" @ \$14.60/Ft.	67,160	67,160
LINER-DRILLING	-	-
CASING-PRODUCTION 11800' 5 1/2" @ \$ 9.95/Ft.	-	117,410
LINER-PRODUCTION	-	-
TUBING 11700' 2-3/8" @ \$ 3.25/Ft.	-	38,025
WELL HEAD	4,000	7,000
OTHER SUB-SURFACE EQUIP	-	-
TANKS	-	7,500
SEPARATORS B HEATERS	-	14,500
FLOW LINES	-	3,000
RODS	-	3,000
PUMP UNIT B ENGINE	-	-
INSTALLATION COSTS	2,500	10,500
NON CONTROLLABLE EQUIP	-	3,000
TOTAL EQUIPMENT	84,685	282,120
TOTAL WELL COSTS	396,745	645,480

APPROVALS
 FORAN OIL COMPANY

WORKING INTEREST _____ % BY Joe Foran DATE 2/26/88

NON-OPERATOR _____ DATE _____

WORKING INTEREST _____ % BY _____ DATE _____

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

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

BEFORE EXAMINER CATANACH	
OIL CONSERVATION DIVISION	
<u>Foran</u>	EXHIBIT NO. <u>16</u>
CASE NO. <u>9391</u>	
CASE NO. 9290	
Order No. R-8622	

APPLICATION OF FORAN OIL COMPANY
FOR COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on February 3, 1988, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 28th day of March, 1988, 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, Foran Oil Company, seeks an order pooling all mineral interests from the surface to a depth of approximately 12,000 feet underlying the W/2 SW/4 of Section 8, Township 16 South, Range 37 East, NMPM, Lea County, New Mexico, to form an 80-acre oil spacing and proration unit for any and all formations and/or pools within said vertical limits developed on 80-acre spacing and the NW/4 SW/4 of said Section 8 to form a 40-acre oil spacing and proration unit for any and all formations and/or pools within said vertical limits developed on statewide 40-acre spacing.

(3) Both units are to be dedicated to a single well to be drilled at a standard location in the NW/4 SW/4 (Unit L) of said Section 8.

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

(5) To avoid the drilling of unnecessary wells, to protect correlative rights, to prevent waste, and to afford to the owner of each interest in said units the opportunity to recover or receive without unnecessary expense his just and fair share of the production 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 units.

(6) The applicant should be designated the operator of the subject well and units.

(7) 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.

(8) 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.

(9) 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.

(10) 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.

(11) At the time of the hearing the applicant proposed that the reasonable monthly fixed charges for supervision while re-entering/deepening and producing should be \$5500.00 and \$550.00, respectively.

(12) The above drilling and producing charges are in excess of the normal monthly fixed charges in this area for a well to a comparable depth and should therefore be adjusted to reflect a more reasonable rate.

(13) \$5000.00 per month while drilling and \$500.00 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.

(14) 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.

(15) Upon the failure of the operator of said pooled units to commence drilling of the well to which said units are dedicated on or before June 1, 1988, the order pooling said units should become null and void and of no effect whatsoever.

(16) Should all the parties to this force pooling reach voluntary agreement subsequent to entry of this order, this order should thereafter be of no further effect.

(17) The operator of the well and units should notify the Director of the Division in writing of the subsequent voluntary agreement of all parties subject to the force-pooling provisions of this order.

IT IS THEREFORE ORDERED THAT:

(1) All mineral interests, whatever they may be, from the surface to an approximate depth of 12,000 feet underlying the W/2 SW/4 of Section 8, Township 16 South, Range 37 East, NMPM, Lea County, New Mexico, are hereby pooled to form an 80-acre oil spacing and proration unit for any and all formations and/or pools within said vertical limits developed on 80-acre spacing and the NW/4 SW/4 of said Section 8 to form a 40-acre oil spacing and proration unit for any and all formations and/or pools within said vertical limits developed on statewide 40-acre spacing, both aforementioned units to be dedicated to a well to be drilled at a standard location in the NW/4 SW/4 (Unit L) of said Section 8.

PROVIDED HOWEVER THAT, the operator of said units shall commence the drilling of said well on or before the first day of June, 1988, and shall thereafter continue the drilling of said well with due diligence to a depth of approximately 12,000 feet;

PROVIDED FURTHER THAT, in the event said operator does not commence the drilling of said well on or before the first day of June, 1988, 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) Foran Oil Company is hereby designated the operator of the subject well and units.

(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 units 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) \$5000.00 per month while drilling and \$500.00 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.

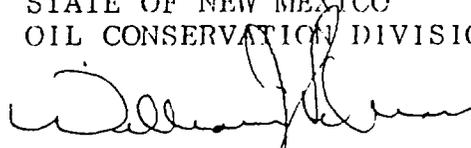
(13) Should all the parties to this force pooling reach voluntary agreement subsequent to entry of this order, this order shall thereafter be of no further effect.

(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 force 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



WILLIAM J. LEMAY
Director

S E A L

OUTSTANDING INTERESTS

Twin Lakes Prospect
 Section 8: W/2SW/4, T16S-R37E
 Lea County, New Mexico

	<u>% of Unit</u>	<u>Net Acres</u>	
		<u>40 Acre Unit</u>	<u>80 Acre Unit</u>
Doris Cross McAdoo 2048 Amherst Drive S. Pasadena, CA 91030	.354	.1416	.2832
Estate of Harriet McAdoo Platt c/o Cynthia McAdoo Wheatland 33 Branch St., Boston, Mass. 02108	.354	.1416	.2832
J.H. Van Zant II 1730 Commerce Bldg. 307 W. 7th Street Fort Worth, TX 76102-5173	2.34375	.9375	1.875
Jeanne Van Zant Sanders Suite 508, Sinclair Bldg. 106 W. 5th Street Fort Worth, TX 76102	2.34375	.9375	1.875
E.B. White, Jr. P.O. Box 2052 Midland, TX 79720	.390625	.15625	.3125
Harry A. Miller, Jr. Margaret Ann Miller Carrico Harry A. Miller III Suite 600, 303 W. Wall St. Midland, TX 79701	.1953 .0976 .0976	.078125 .0390625 .0390625	.15625 .078125 .078125
Nitram Enterprises Inc. P.O. Box 3341 Midland, TX 79702	1.40625	.5625	1.125
Standard Oil Production Co. P.O. Box 4587 Houston, TX 77210 Attn: Mr. James D. Sikes	17.5	7	14
Harvey E. Yates Company Explorers Petroleum Corp. Spiral Inc. P.O. Box 1933 Roswell, N.M. 88201 Yates Energy Corp. Fred G. Yates. Inc. 1010 Sunwest Centre Roswell, N.M. 88201	.5203 .0750 .0750 .2547 .0750	.03776	1.51 3.02
	28.47	11.38	22.77

BEFORE EXAMINER CATANACH
 OIL CONSERVATION DIVISION
 EXHIBIT NO. 17
 9391