Case No.

427

Application, Transcript,
Small Exhibits, Etc.

CASE 427: Application of C. H. Sweet et al for permission to unitize two tracts (15 - 25 a.) in Sect. 18, Twp. 20 S, Rge. 38 E

OIL CONSERVATION COMMISSION
P. O. BOX 871
SANTA FE, NEW MEXICO

December 15, 1953

NEAL & GIRAND
Box 1326
Hobbs, New Mexico

Attention: Mr. W. D. Girand, jr.

Gentlemen: RE: OCC Case 427

Upon receipt of your letter of October 16, 1953, with the Tide Water consent enclosure, and the previously received photostats of amended leases, etc., I considered the provisions of Order R-234 duly complied with, and attached a memo to the material for filing. For some reason I failed to get off a letter to you that the Commission considered the matter and decided that the obligation of the order had been complied with,

Please accept my abject apologies for this oversight.

Respectfully yours,

George A. Graham
Attorney,
Oil Conservation Commission

GG:mr

cc: Tide Water Associated Oil Co.
Attention: Mr. J. R. Graham
P. O. Box 1404
Houston 1 - Texas

C. MELVIN NEAL
W. D. GIRAND, JR.

KERMIT E. NASH
W. D. GIRAND, SR.
J. W. NEAL

NEAL & GIRAND
LAWYERS
NEAL BUILDING
HOBBS, NEW MEXICO

TELEPHONES
3-5171 3-5172
P. O. BOX 1326

December 10, 1953

Oil Conservation Commission,
Santa Fe, New Mexico.

Attention: Mr. George Graham, Attorney.

Re: Case No. 427 - Order No. R-234

Gentlemen:

On October 16th we forwarded to you for consideration letter from the Tidewater Associated Oil Company over the signature of J. R. Gaham, Assistant Vice President, a copy of the letter being enclosed herewith.

We would appreciate very much if you would advise us what action, if any, has been taken on the matter.

Very truly yours,

NEAL & GIRAND,

BY: W. D. Girand Jr.

G/ls
Encl.
cc: Mr. J. H. Moore, Box 1537,
Hobbs, New Mexico;
Mr. Morris R. Antweil,
Hobbs, New Mexico;
Tidewater Associated Oil Company,
Mellie Esperson Building,
Houston, Texas.

C
O
P
Y

TIDE WATER ASSOCIATED OIL COMPANY
Mid-Continent Division
Mellie Esperson Bldg. Post Office Box 1404
Houston 1, Texas
Houston, Texas.

October 14, 1953

Oil Conservation Commission
State of New Mexico
Santa Fe, New Mexico

Re: Case No. 427
Order No. R-234

Gentlemen:

This is to advise that Tide Water Associated Oil Company, the owner of an overriding royalty under the West 25 acres and the East 15 acres of the Northwest quarter of the Northeast quarter of Section 18, Township 20 South, Range 38 East, in the Skaggs Pool, Lea County, New Mexico, consents to the above Order and case number whereby the Oil Conservation Commission of the State of New Mexico unitized for production and allowable purposes to a depth of 4,000 feet the West 25 acres and the East 15 acres of the said Northwest quarter of the Northeast quarter of Section 18.

It is our understanding that the Commission will finally approve the above Orderupon the receipt of this letter from Tide Water Associated Oil Company. If there be any other instrument or information the Commission desires, our Company will be happy to supply the same.

Very truly yours,

TIDE WATER ASSOCIATED OIL COMPANY

By s/ J. R. Gaham
Assistant Vice President

JRG-ROK:EB

GENERAL OFFICES
120 BROADWAY NEW YORK

AMERADA PETROLEUM CORPORATION

BEACON BUILDING
P. O. BOX 2040
TULSA 2, OKLA.

July 28, 1952

PRODUCTION DEPARTMENT
JOHN P. HAMMOND
ASST. GENERAL SUPERINTENDENT

Messrs. Neal and Girond
Neal Building
Hobbs, New Mexico

Gentlemen:

We have your letter of July 19 together with your application to the New Mexico Conservation Commission for the unitization of separate 25 and 15 acre interests in the NW/4 NE/4 of Section 18, 20S-38E.

As an offset operator we have no objection to the unitization you propose.

Very truly yours,

AMERADA PETROLEUM CORPORATION,

By: John P. Hammond

JPH-J

cc: Mr. Meister
Mr. Millikan
Oil Conservation Commission of New Mexico
Santa Fe

OIL CONSERVATION COMMISSION
P. O. BOX 871
SANTA FE, NEW MEXICO

December 22, 1953

COPY

Mr. Robert O. Koch
Law Department
Tide Water Associated Oil Company
Box 1404
HOUSTON TEXAS

Dear Sir: RE: Case 427

On December 15, 1953, a letter was sent to the firm of Neal & Girand, Hobbs, New Mexico, referring to the above case, with a copy directed to Mr. J. R. Graham of your Houston office. We assume that you received the copy soon after writing us in the matter on December 16, but for your information, the letter is quoted:

> 'Upon receipt of your letter of October 16, 1953, with the Tide Water consent enclosure, and the previously received photostats of amended leases, etc., I considered the provisions of Order R-234 duly complied with, and attached a memo to the material for filing. For some reason I failed to get off a letter to you that the Commission considered the matter and decided that the obligation of the order had been complied with.
>
> 'Please accept my abject apologies for this oversight.'

The letter was signed by me as attorney for the Commission. Please consider this additional assurance that all Commission requirements as stipulated in the order have been met.

Very truly yours,

GAG:nr George A. Graham

cc: Neal & Girand

THOMPSON BUILDING
TULSA 2, OKLA.

HELLIE EDERSON BLDG.
HOUSTON 1, TEXAS

LAW DEPARTMENT

TIDE WATER ASSOCIATED OIL COMPANY

MID-CONTINENT DIVISION

TULSA,
Y. P. BROOME, REGIONAL COUNSEL
KENNETH G. BANDELIER

HOUSTON,
LLOYD ARMSTRONG, CHIEF ATTY.
ROBERT O. KOCH
LELAND F. CADENHEAD
ROGER I. DAILY

Houston, Texas
December 16, 1953

Mr. George Graham
Attorney for Oil Conservation Commission
State of New Mexico
Santa Fe, New Mexico

Re: Case No. 427 - Order No. R-234.

Dear Mr. Graham:

On October 14, 1953, Tide Water Associated Oil Company addressed a letter to the Oil Conservation Commission of the State of New Mexico advising such Commission that Tide Water Associated Oil Company, as owner of an overriding royalty under the west 25 acres and the east 15 acres of the northwest quarter of the northeast quarter of Section 18, Township 20 South, Range 28 East, Lea County, New Mexico, consents to the above Order and Case numbers whereby the Oil Conservation Commission unitized for production and allowable purposes to the depth of 4,000 feet the west 25 acres and the east 15 acres of the said northwest quarter of the northeast quarter. It was our understanding that the Commission was witholding its final approval of the above Order until it received notice of Tide Water Associated Oil Company's consent to such Order.

We will appreciate if you will advise us of what action has been taken by the Commission relative to this matter.

Yours very truly,

Robert O. Koch

Robert O. Koch

ROK:em

OIL CONSERVATION COMMISSION
P. O. BOX 871
SANTA FE, NEW MEXICO

January 15, 1954

Law Department
TIDE WATER ASSOCIATED OIL CO.
Mellie Esperson Building
Houston, Texas

Attention: Mr. Robert O. Koch

Gentlemen:

This acknowledges receipt of your inquiry of January 12 relating to the effective date of Order R-234.

The original date and entry of the order aforesaid was December 16, 1952. The proviso provided for a reasonable time for ratification, etc.

Under date of September 1, 1953, Mr. Girand filed with the Commission photostatic copies of amended leases, etc., and on October 19, 1953, Mr. Girand filed an agreement signed by his clients, and on the same date Tide Water, by J. R. Graham, assistant vice president, by letter ratified as to its interests. Therefore we have considered Order R-234 in full force and effect from and after October 19, 1953. However, there is no particular reason appearing why the same could not be considered as retroactively effective to the original date of the order.

Trusting the foregoing satisfactorily answers your question, I am

Very truly yours,

GAG:nr

George A. Graham

THOMPSON BUILDING
TULSA 2, OKLA.

MELLIE ESPERSON BLDG.
HOUSTON 1, TEXAS

LAW DEPARTMENT

TIDE WATER ASSOCIATED OIL COMPANY

MID-CONTINENT DIVISION

TULSA,
Y. P. BROOME, REGIONAL COUNSEL
KENNETH G. BANDELIER

HOUSTON,
LLOYD ARMSTRONG, CHIEF ATTY.
ROBERT O. KOCH
LELAND F. CADENHEAD
ROGER I. DAILY

JAN 1 1954

Houston, Texas
January 12, 1954

In Re: Case 427
Order No. R-234

New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Attention: Mr. George A. Graham

Gentlemen:

We have your letter of December 22, 1953, in which you advised us that you considered the provisions of Order R-234 as having been complied with upon the receipt of our letter of August 16, 1953, together with the previously received photostats of amended leases, etc. We will appreciate your advising us when the Commission considers the effective date of such Order and Case.

We thank you in advance for this information.

Very truly yours,

Robert O. Koch

Robert O. Koch

ROK:EB

cc-Mr. C. A. Thomas
Office

Case 427

OIL CONSERVATION COMMISSION
P. O. BOX 871
SANTA FE, NEW MEXICO

October 10, 1952

C
O
P
Y

Mr. W. D. Girand, jr.
NEAL AND GIRAND
Box 1326
Hobbs, New Mexico

Dear Mr. Girand:

Your C. H. Sweet application (regarding unitization of the west 25 acres of NW NE of Section 18 with the east 15 acres of NW NE of Section 18, in Township 20 S, Range 38 E, NMPM, Lea County) can be scheduled for hearing by the Oil Conservation Commission on November 20, 1952, if that is satisfactory to you and your client.

Please let us know, in order that we may issue proper advertisement.

Yours very truly,

W. B. Macey
Chief Engineer

WBM:nr

[illegible]

[illegible]

No. 427

November 26, 1952

E. E. GREESON
ADA DEARNLEY
COURT REPORTERS
BOX 1302
PHONES 5-9492 AND 5-9546
ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

November 20, 1952

- -

In the Matter of:

Application of C. H. Sweet, et al, for order unitizing the west 25 acres of the NW/4 NE/4 of Section 18, all in Twp. 20 Range 38E, Lea County. Case No. 427

- -

(Notice of Publication read by Mr. Graham.)

MR. GIRAND: I am W. D. Girand, Jr., Box 1326, Hobbs, New Mexico, appearing for the application of C. H. Sweet and wife Imogene Sweet; J. Hiram Moore and wife, Betty Jane Moore; and Morris R. Antweil and wife Rose S. Antweil. If the Commission please this is an application to utilize the benefits of Section 69-213½ of the New Mexico Statutes of 1941 wherein authority is granted to the Commission to authorize the unitization of fractional tracts in order to make a full drilling subdivision. The leases covering the two tracts or three, there are three primary leases. Two leases on the 25 acre tract and one lease on the 15 acre tract. We are attempting here to unitize the two tracts into a 40 acre operating unit particularly as to the working interest and down to a depth only of 4,000 feet, that being the limitation on our working unit. Attached to the application there is a copy of an agreement entered into by the

owners of the working interest. I have here an original executed copy of that agreement which I would like to offer in evidence and withdraw and substitute a copy.

MR. SPURRIER: Without objection it will be received.

(Exhibit "A" Marked for Identification.)

MR. GRAHAM: What is the ownership status of that land?

MR. GIRAND: The mineral ownership?

MR. GRAHAM: No, is the federal or fee - -

MR. GIRAND: This is fee land.

J O H N W. A D A M S

having been first duly sworn, testified as follows:

DIRECT EXAMINATION

By MR. GIRAND:

Q State your name, please.

A John W. Adams.

Q Where do you live?

A Hobbs.

Q By whom are you employed?

A Stanolind Oil Company.

Q In what capacity?

A Geologist and engineering.

Q Have you ever qualified before this Commission?

A No, I have not.

Q Where did you go to school?

A University of Texas.

Q What degree did you obtain?

A Bachelor of Science in Petroleum Engineering.

Q Are you a Registered Petroleum Engineer in Texas at the present time?

A In Texas, yes.

Q By whom have you been employed since your graduation?

A By the Magnolia Petroleum Company from 1930 to 1945.

Q In what capacity?

A As Petroleum Engineer.

Q From 1945?

A From 1945 to 1951 by the Fullerton Oil Company.

Q What capacity?

A Drilling and production engineer and various other duties connected with geological and exploration work.

Q Since 1951 when you left Fullerton what have you been doing?

A Employed by the Shannon Oil Company , a producing oil company in the State of New Mexico and Texas.

Q Were you employed by the applicants in this case to prepare certain maps and data relative to the unitization of these two tracts?

A I was.

MR. GIRAND: Is the Commission satisfied with the qualifications?

MR. SPURRIER: It is.

MR. GIRAND: I would like to have this marked as Exhibit "B".

(Exhibit "B" Marked for Identification.)

Q Mr. Adams, I hand you here a plat marked Exhibit "B" and ask you to refer to that plat and tell the Commissioner what the plat purports to show.

A Exhibit "B" shows on a large scale map the development in direction and diagonal offsets to the sub-acreage. You will notice that legend shows Grayburg producing wells and Mellen wells. C. H. Sweet has drilled four wells, one of which is a dry hole. You will notice that Grayburg production does not, has not been, there is no Grayburg production north or east of this 40 acre tract.

Q Now the C. H. Sweet well at the present time is producing from the Grayburg?

A C. H. Sweet Tricky No. 2 is now producing from the Grayburg zone.

Q Are there any offsets to that well?

A There are south offsets and a direct west offset.

Q Does that map properly show the wells surrounding the tract involved here?

A Yes, it does.

MR. GIRAND: We would like to offer Exhibit "B".

MR. SPURRIER: Without objection it will be received.

(Exhibit "C" Marked for Identification.)

Q Mr. Adams, I hand you here a plat, a contour plat marked Exhibit "C" and ask you, did you prepare that plat?

A I did.

Q Would you tell the Commission what that plat purports to show from the standpoint in support of this case?

A You will notice an area outlined in blue which is the same area as covered by the previous exhibit. These contours are on top of a marker which I have called a 3800 foot marker which carries 50 feet above the first pay in this field. It is picked from electrical logs. You will notice that the C. H. Sweet No. 4 Tricky well was a dry hole in this same producing pay to the north of the 40 acres in question. Also that there is no production, as I previously stated, to the north or east. There is a feature here which the No. 4 well discovered which is quite low. There is a definite pitch off there on the north side of the field. We purport to show here that because of this structural condition that this is definitely the edge of the field, the Number Two well is not a marginal well but is not a top allowable well. You will notice that neither J. E. O'Neil nor the Amerada have seen fit to offset the No. 2 well to the Grayburg formation for production.

MR. DIRAND: We offer exhibit "E".

MR. SPURRIER: Without objection it will be received.

(Exhibit "E" Marked for Identification.)

Q Mr. Adams, I hand you here an Exhibit marked Exhibit "D" and ask you to tell the Commission what that Exhibit purports to show.

A This Exhibit shows the monthly production and all the

existing production since the drilling of the C. H. Sweet Standard No. 1 and then and the Twigby No. 2. The No. 2 which is drilled on the subacreage and the Amerada State A-18 lease wells No. 4 and 5, both of which are south offsets to the acreage in question. The Amerada production has maintained the level of top allowable to this date.

Q Pardon me, that is the Amerada wells immediately south?

A Immediately south.

Q Of the tract in question?

A That is right.

Q The C. H. Sweet production, the No. 2 well, currently produces about 18 to 20 barrels per day?

A October, you will notice, shows a lower figure but mechanical trouble was developed in that month. The No. 3 which is a diagonal offset is a poor well, makes five or six barrels a day. The No. 1 well direct west offset and makes about 25 barrels per day. This Exhibit should show that these wells constitute the edge of the field and further drilling in the immediate vicinity would probably not be economically feasible.

MR. GIRAND: We offer Exhibit "D".

MR. SPURRIER: Without objection it will be received.

Q I believe you have answered this, Mr. Adams, but from your examination and your study of the area there, is it your opinion that a well could be economically drilled and a pay out

proposition on the east 15 acres of the 40 acre tract?

A It is my opinion that a well drilled on the east 15 acres of this 40 acre parcel would not be economically feasible. That is, the probability is that an operator would not recover his development cost in drilling by production of a well on that location.

MR. GIRAND: I believe that is all. Does the Commission have any questions?

MR. SPURRIER: Does anyone have a question of this witness? If not the witness may be excused.

MR. GIRAND: That is all we have. I believe we do have a letter from Amerada in the file, consenting.

MR. SPURRIER: Does anyone have a comment in this case? If not the case will be taken under advisement.

(Witness excused.)

STATE OF NEW MEXICO)
:
COUNTY OF BERNALILLO)

I HEREBY CERTIFY that the foregoing and attached transcript of hearing in Case No. 427 before the Oil Conservation Commission, State of New Mexico, at Santa Fe, on November 20, 1952, is a true and correct record of the same to the best of my knowledge, skill and ability.

DATED at Albuquerque, New Mexico, this 29th day of November.

Ada Dearnley
REPORTER

PRODUCING DATA— PORTION OF SKAGGS FIELD

LEA COUNTY, NEW MEXICO

	C. H. SWEET			AMERADA	
	Stanford		Trickey	State A-18	
	#1	#3	#2	#4	#5
January	1517	---	1526	----	----
February	950	697	965	263	----
March	1085	730	1105	2100	1354
April	852	548	800	1265	1265
May	886	153	885	636	636
June	814	141	631	1489	1489
July	632	150	797	1432	1432
August	761	156	655	1280	1280
September	717	146	573	1323	1323
October	702	135	444	1390	1390
Cumulative Production 11-1-52	8,916	2,856	8,381	11,178	10,169

COPY

AMERADA PETROLEUM CORPORATION - Tulsa, Oklahoma

July 28, 1952

Messrs. Neal and Girand
Neal Building
Hobbs, New Mexico

Gentlemen:

We have your letter of July 19 together with your application to the New Mexico Conservation Commission for the unitization of separate 25 and 15 acre interests in the NW/4 NE/4 of Section 18, 20S-38E.

As an offset operator we have no objection to the unitization you propose.

Very truly yours,

AMERADA PETROLEUM CORPORATION,

JPH-J By:

cc: Mr. Meister
Mr. Milliken
Oil Conservation Commission of New Mexico
Santa Fe

Memo

From

To

Hold until August 1st 1952

Monday

[illegible]

[illegible]

7-20S-28E

Day [illegible] *

Date [illegible] 1/4/92

[illegible]

C. MELVIN NEAL
W. D. GIRAND, JR.

W. D. GIRAND, SR.

TELEPHONES: 54 & 654
P. O. BOX 1336

NEAL & GIRAND
LAWYERS
NEAL BUILDING
HOBBS, NEW MEXICO

July 19, 1951

Mr. Joseph I. O'Neill,
209 North Big Spring Street,
Midland, Texas.

Dear Sir:

I am enclosing herewith copy of application of C. H. Sweet and others to unitize the West 25 acres of the SW¼ SE¼ of Section 7 with the East 15 acres of the SW¼ SE¼ of Section 7, all in Township 20 South, Range 38 East, N.M.P.M., Lea County, New Mexico. This property is the property known as the C. H. Sweet Trickey (A) Lease.

Under the rules of the Oil Conservation Commission of the State of New Mexico, being Rule 104, in order to unitize tracts of land within the State of New Mexico it is necessary that a copy of the application and notice thereof be given to owners of off-set acreage. The records reflect that you are the owner of the property lying immediately East of the tract herein sought to be unitized.

The rules provide that unless protest is filed within ten days after notice, the Commission will grant the request without hearing. Please advise the writer at the earliest possible date whether or not you have any objections to this unitization.

Very truly yours,

NEAL & GIRAND,

BY: W. D. Girand Jr.

G/ls
encl.
cc: Oil Conservation Commission of New Mexico,
Santa Fe, New Mexico.

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE NO. 427
ORDER NO. R-234

THE APPLICATION OF C. H. SWEET,
ET UX; MORRIS R. ANTWEIL, ET UX;
J. HIRAM MOORE, ET UX, FOR AUTHORITY
TO UNITIZE THE WEST 25 ACRES AND THE
EAST 15 ACRES OF NW/4 NE/4 OF SECTION 18,
TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM,
IN THE SKAGGS POOL, LEA COUNTY, NEW
MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on regularly for hearing at 9 a.m. on November 20, 1952, at Santa Fe, New Mexico, before a quorum of the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 16th day of December, 1952, the Commission, having considered the testimony adduced at the hearing, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law and its Rules and Regulations, duly promulgated, the Commission has jurisdiction to hear and determine the matter.

(2) That applicants are the holders of the working interests to a depth of 4,000 feet on the 40 acres (NW/4 NE/4 Section 18, Twp. 20 South, Range 38 East) by virtue of separate oil and gas leases covering 25 acres' and 15 acres therein of fee lands.

(3) That the west 25 acres and the east 15 acres of said unit would comprise a regular 40-acre unit for production purposes to a depth of 4000 feet.

(4) That the holders of the working interests have by agreement duly filed herein agreed among themselves to unitize their respective acreages for production and allowable purposes, and will present for approval or ratification a unit agreement to all royalty and overriding royalty holders.

(5) There is one producing Grayburg well upon the proposed unit, but expert testimony clearly indicates that additional wells to the 4,000-foot depth would be dry, or would not pay out.

CASE NO. 427 - ORDER NO. R-234

IT IS THEREFORE ORDERED:

(1) That the west 25 acres and the east 15 acres of NW/4 NE/4 Section 18, in Township 20 South, Range 38 East, be and the same are hereby unitized for production and allowable purposes to a depth of 4,000 feet, into a regular 40-acre unit; provided, however, that the numerous holders of royalty and overriding royalty interests in the said tracts do sign a unitization agreement or ratify the same within a reasonable time, and that an executed copy is filed with the Commission.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Edwin L. Mechem

EDWIN L. MECHEM, Chairman

Guy Shepard

GUY SHEPARD, Member

R. R. Spurrier

R. R. SPURRIER, Secretary

SEAL

PRODUCING DATA— PORTION OF SKAGGS FIELD

LEA COUNTY, NEW MEXICO

	C. H. SWEET			AMERADA	
	Stanford		Trickey	State A-18	
	#1	#3	#2	#4	#5
January	1517	---	1526	----	----
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September	717	146	573	1323	1323
October	702	135	444	1390	1390
Cumulative Production 11-1-52	8,916	2,856	8,381	11,178	10,169

BEFORE THE OIL CONSERVATION COMMISSION OF NEW MEXICO.

APPLICATION OF C. H. SWEET AND WIFE, IMO SWEET, J. HIRAM MOORE AND WIFE, BETTY JANE MOORE, MORRIS R. ANTWEIL AND WIFE, ROSE S. ANTWEIL, FOR AUTHORITY TO UNITIZE THE WEST 25 ACRES OF THE NW¼ NE¼ OF SECTION 18 WITH THE EAST 15 ACRES OF THE NW¼ NE¼ OF SECTION 18, ALL IN TOWNSHIP 20 SOUTH, RANGE 38 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO.	CASE NO. 427

COME NOW the applicants herein through their attorneys, Neal & Girand of Hobbs, New Mexico, and petition this Commission for an order authorizing the unitization of the West 25 acres of the NW¼ NE¼ of Section 18 with the East 15 acres of the NW¼ NE¼ of Section 18, all in Township 20 South, Range 38 East, N.M.P.M., Lea County, New Mexico, and for cause would show:

1. That this application is brought under authority of Section 69-213½ of the New Mexico Statutes 1941, as amended, and in accordance with Rule 104 of the adopted rules of the Oil Conservation Commission of the State of New Mexico.

2. Applicants are equal owners of the following described oil, gas and mining leases down to a total depth of 4,000 feet below the surface, to-wit:

(a) Oil, Gas and Mining Lease, dated February 20, 1942, executed by W. T. Trickey and wife, Flora D. Trickey, as lessors, in favor of Tidewater Associated Oil Company, as lessee, filed for record March 25, 1942 at 4:20 P.M., recorded in Book 44, Page 359, Oil & Gas Lease Records, Lea County, New Mexico and covering the West 25 acres of the NW¼ NE¼ of Section 18, Township 20 South, Range 38 East, N.M.P.M., Lea County, New Mexico;

(b) Oil, Gas and Mining Lease, dated May 25, 1945, executed by P. H. Stanford and wife, Lucy Stanford, as lessors, in favor of J. H. Moore, as lessee, recorded on June 14, 1945 at 11:20 A.M., Book 56, Page 604, Oil & Gas Lease Records of Lea County, New Mexico, covering 4/13 interest in the East 15 acres of the NW¼ NE¼ of Section 18, Township 20 South, Range 38 East, N.M.P.M., Lea County, New Mexico; said lease expressly granting to lessee the right to pool or combine his lease with other leases for development purposes and operation;

(c) Oil, Gas and Mining Lease, dated May 25, 1945 and executed by Walter Trickey and wife, Flora D. Trickey, as lessors, in favor of J. H. Moore, as lessee, recorded June 14, 1945 at 11:20 A.M., Book 56, Page 607, Oil & Gas Lease Records, Lea County, New Mexico, covering an undivided 9/13 interest in the East 15 acres of the NW¼ NE¼ of Section 18, Township 20 South, Range 38 East, N.M.P.M., Lea County, New Mexico, said lease expressly granting to lessee the right to pool or combine his lease with other leases for development purposes and operation.

3. That the applicants have heretofore entered into an agreement consenting to the unitization of the working interest conveyed under the above described oil and gas leases, a copy of the agreement is attached hereto and marked, Exhibit "A".

4. That there are numerous owners and holders of royalty interest and overriding royalty interest under the above described tracts of land, to-wit: Under the West 25 acres of the NW¼ NE¼ of Section 18, Township 20 South, Range 38 East, N.M.P.M., Lea County, New Mexico:

Walter Trickey and wife, Flora D. Trickey, Pearsall, Texas;
Frank Haynes, Individually and as Guardian of James R. Haynes, N.C.M., Grantville, Kansas;
Margaret Wiggins, Houston, Texas;
Mrs. Lela A. Gladish, Kansas City, Missouri;
Mrs. Ella B. Gladish, Kansas City, Missouri;
Frank E. Foulk, Des Moines, Iowa;
J. L. Wood, Rialto, California;
C. D. Calkins, San Diego, California;
P. A. Greening, El Paso, Texas;
W. J. Hoene, El Paso, Texas;
B. L. McGee, Box 1292, Atlanta, Georgia;
Don R. Sturgeon, Woodhill, Illinois;
Tidewater Associated Oil Company, Houston, Texas;

and under the East 15 acres of the NW¼ NE¼ of Section 18, Township 20 South, Range 38 East, N.M.P.M., Lea County, New Mexico:

J. Hiram Moore and wife, Betty Jane Moore, Hobbs, New Mexico;
P. H. Stanford and wife, Lucy Stanford, Laredo, Texas;
Walter Trickey and wife, Flora D. Trickey, Pearsall, Texas.

5. That applicants are at the present time in the process of circulating a unitization agreement among the several royalty and overriding royalty owners.

6. That it is not economical for the operators to drill more than one well on said forty acre subdivision to explore and produce oil and gas in zones encounterable above a total depth of 4,000 feet and in order to prevent waste and to protect the correlative rights of all parties owning interest

in either of the tracts, the two described tracts should be unitized.

7. Applicants own the operating rights on off-set acreage to the West and North. Amerada Petroleum Corporation owns the operating rights on off-set acreage to the South and East. That copies of this application have been forwarded to the owners of off-set acreage to the proposed unitized tract.

In this connection applicants have attached hereto and marked Exhibit "B" a plat showing the location of the acreage sought to be unitized and the ownership of the off-set acreage.

WHEREFORE, applicants pray that the Commission enter its order unitizing the West 25 acres of the NW¼ NE¼ of Section 18 with the East 15 acres of the NW¼ NE¼ of Section 18, all in Township 20 South, Range 38 East, N.M.P.M., Lea County, New Mexico, and determining said tract to be one legal proration unit of forty acres and that the agreement entered into by the operators and copy of which is attached hereto, be in all things approved and for such other and further order as the Commission may deem fit and proper in the premises.

NEAL & GIRAND,

BY W. D. Girand Jr.
Attorneys for Applicants

STATE OF NEW MEXICO)
)SS.
COUNTY OF LEA)

I, W. D. GIRAND, JR., of lawful age, being first duly sworn upon my oath, state:

I am one of the attorneys for the applicants in the above styled and numbered cause; I have read and understand the contents of the foregoing petition, and the facts therein alleged are true and correct according to the best of my information, knowledge and belief; I make this verification for the applicants by reason of their absence for doing same.

W. D. Girand Jr.

SUBSCRIBED AND SWORN to before me this the 18th day of July, A.D., 1952.

Caroline Legg
NOTARY PUBLIC

My Commission Expires:
January 8, 1956.

G/cl

EXHIBIT A

C
O
P
Y

A G R E E M E N T

KNOW ALL MEN BY THESE PRESENTS:

That this agreement, entered into by and among C. H. SWEET, and his wife, IMO E. SWEET; J. HIRAM MOORE and his wife, BETTY JANE MOORE; MORRIS R. ANTWEIL and his wife, ROSE S. ANTWEIL, all of Hobbs, Lea County, New Mexico, WITNESSETH:-

That all of the parties to this agreement are equal owners in the following described oil and gas leases, to-wit:

(1) Oil, Gas and Mining Lease, dated February 20, 1942, executed by W. T. Trickey and wife, Flora D. Trickey, as lessors, in favor of Tidewater Associated Oil Company, as lessee, filed for record March 25, 1942 at 4:20 P.M., recorded in Book 44, Page 356, Oil & Gas Lease Records, Lea County, New Mexico and covering the West 25 acres of the NW¼ NE¼ of Section 18, Township 20 South, Range 38 East, N.M.P.M., Lea County, New Mexico.

(2) Oil, Gas and Mining Lease, dated May 25, 1945, executed by P. H. Stanford and wife, Lucy Stanford, as lessors, in favor of J. H. Moore, as lessee, recorded on June 14, 1945 at 11:20 A.M., Book 56, Page 604, Oil & Gas Lease Records of Lea County, New Mexico, covering 4/13 interest in the East 15 acres of the NW¼ NE¼ of Section 18, Township 20 South, Range 38 East, N.M.P.M., Lea County, New Mexico; said lease expressly granting to lessee the right to pool or combine his lease with other leases for development purposes and operation;

(3) Oil, Gas and Mining Lease, dated May 25, 1945 and executed by Walter Trickey and wife, Flora D. Trickey, as lessors, in favor of J. H. Moore, as lessee, recorded June 14, 1945 at 11:20 A.M., Book 56, Page 607, Oil & Gas Lease Records, Lea County, New Mexico, covering an undivided 9/13 interest in the East 15 acres of the NW¼ NE¼ of Section 18, Township 20 South, Range 38 East, N.M.P.M., Lea County, New Mexico, said lease expressly granting to lessee the right to pool or combine his lease with other leases for development purposes and operation.

That the three above-described leases cover in part a legal forty acre sub-division, being the NW¼ NE¼ of Section 18, Township 20 South, Range 38 East, N.M.P.M., Lea County, New Mexico.

That under Rule 104, adopted by the Oil Conservation Commission of the State of New Mexico, the well spacing authorized

by said Commission is confined to forty acre tracts insofar as same is practicable.

That the undersigned, the present owners of the working interest covered by the above-described leases, have pooled the West 25 acres of the NW NE$\frac{1}{4}$ of Section 18, together with the East 15 acres of the NW$\frac{1}{4}$ NE$\frac{1}{4}$ of Section 18, all in Township 20 South, Range 38 East, N.M.P.M., Lea County, New Mexico, in order to establish and create one full drilling unit on said tract so that any well drilled on said tract will be entitled to a full allowable, as defined under the rules of the Oil Conservation Commission of the State of New Mexico.

NOW, THEREFORE, we, the undersigned, owning all of the working interest under the above-described oil and gas leases, for and in consideration of the mutual benefits to be derived by the execution of this pooling agreement, and in order to operate the well to be drilled upon said forty acre pooled unit as a full drilling unit, do hereby agree, each with the other, that for the purpose of exploration and production of oil and gas that may be produced from the above-described forty acre sub-division covered by the leases hereinabove described to pool all property covered by said oil and gas leases into one drilling unit, to-wit: NW$\frac{1}{4}$ NE$\frac{1}{4}$ of Section 18, Township 20 South, Range 38 East, and provide that all oil and gas produced from any well or wells located upon said forty acre sub-division shall be divided and apportioned to each lease as each lease relates to the entire forty acre sub-division, subject to reserved overriding royalties in favor of the Tidewater Associated Oil Company and J. Hiram Moore, and subject to approval of the Oil Conservation Commission of the State of New Mexico, and subject to approval of a unitization agreement to be executed by all royalty owners under all of said leases above-described.

IN WITNESS WHEREOF, our hands this the 27th day of June, A.D., 1952.

/s/ C. H. SWEET
C. H. Sweet

/s/ IMO E. SWEET
Imo E. Sweet

/s/ J. HIRAM MOORE
J. Hiram Moore

/s/ BETTY JANE MOORE
Betty Jane Moore

/s/ MORRIS R. ANTWEIL
Morris R. Antweil

/s/ ROSE S. ANTWEIL
Rose S. Antweil

STATE OF NEW MEXICO)
)SS.
COUNTY OF LEA)

On this the 27th day of June, A.D., 1952, before the undersigned authority in and for said county and state, personally appeared C. H. SWEET and his wife, IMO E. SWEET; J. HIRAM MOORE and his wife, BETTY JANE MOORE; MORRIS R. ANTWEIL and his wife, ROSE S. ANTWEIL, to me known to be the persons described in and who executed the foregoing instrument, and acknowledged to me that they executed the same as their free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.

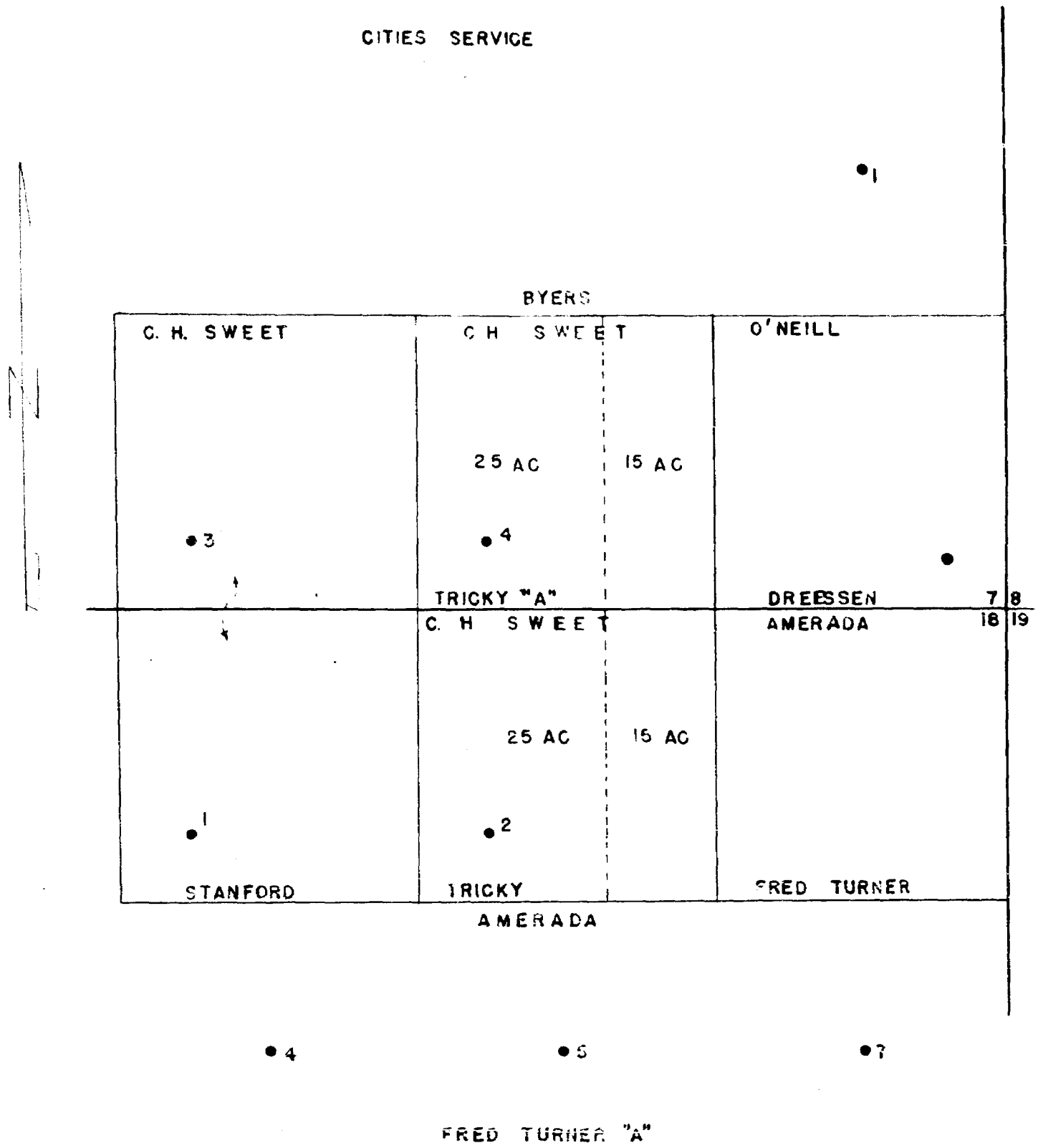
(SEAL)

/s/ WILLIAM R. HOLLIS
NOTARY PUBLIC

My Commission Expires:
4-30-54.

G/ls
/cl

EXHIBIT "B"



C. H. SWEET OIL PROPERTIES
TWP. 20 S, R. 38 E, N.M.P.M.
LEA COUNTY, NEW MEXICO

SCALE: 1 INCH = 600 FEET

John W West

JOHN W. WEST

JULY 2, 1952

C. MELVIN NEAL
W. D. GIRAND, JR.

W. D. GIRAND, SR.

TELEPHONES: 54 & 854
P. O. BOX 1336

NEAL & GIRAND
LAWYERS
NEAL BUILDING
HOBBS, NEW MEXICO

July 19, 1952

Oil Conservation Commission,
Santa Fe, New Mexico.

Gentlemen:

I am enclosing herewith in duplicate Application for Unitization of the SW$\frac{1}{4}$ SE$\frac{1}{4}$ of Section 7, Township 20 South, Range 38 East, N.M.P.M., Lea County, New Mexico.

I am also enclosing in duplicate Application for Unitization of the NW$\frac{1}{4}$ NE$\frac{1}{4}$ of Section 18, Township 20 South, Range 38 East, N.M.P.M., Lea County, New Mexico.

I am also enclosing copies of letters showing mailing of copy of application to the holders of off-set acreage to the tract proposed to be unitized.

Very truly yours,

NEAL & GIRAND,

BY: W. D. Girand Jr.

G/ls
encls.

C. MELVIN NEAL
W. D. GIRAND, JR.

W. D. GIRAND, SR.

TELEPHONES: 54 & 854
P. O. BOX 1326

NEAL & GIRAND
LAWYERS
NEAL BUILDING
HOBBS, NEW MEXICO

July 19, 1952

Amerada Petroleum Corporation,
Midland, Texas.
Attention: Land Department.

Gentlemen:

I am enclosing herewith copy of application to unitize the West 25 acres of the NW¼ NE¼ of Section 18 with the East 15 acres of the NW¼ NE¼ of Section 18, all in Township 20 South, Range 38 East N.M.P.M., Lea County, New Mexico. This is a part of the C. H. Sweet-Trickey Lease in Lea County, New Mexico.

Rule 104 of the Oil Conservation Commission of the State of New Mexico provides that in the event no objection is made to the unitization of a tract after notice to off-set acreage owners, and the elapse of ten days time from date of notice, that the Commission on its own Order without hearing can grant the application.

If you have any objections to the unitization of these two tracts, please advise.

Very truly yours,

NEAL & GIRAND,

BY: W. D. Girand Jr.

G/ls
encl.
cc: Oil Conservation Commission of New Mexico,
Santa Fe, New Mexico.

TELEPHONES: 54 & 854
P. O. BOX 1328

NEAL & GIRAND
LAWYERS
NEAL BUILDING
HOBBS, NEW MEXICO

July 19, 1952

Cities Service Oil Company,
Bartlesville, Oklahoma.
Attention: Land Department.

Gentlemen:

I am enclosing herewith copy of application of C. H. Sweet and others to unitize the West 25 acres of the SW¼ SE¼ of Section 7 with the East 15 acres of the SW¼ SE¼ of Section 7 all in Township 20 South, Range 38 East, N.M.P.M., Lea County, New Mexico. This property is the property known as the C. H. Sweet Trickey (A) Lease.

Under the rules of the Oil Conservation Commission of the State of New Mexico, being Rule 104, in order to unitize tracts of land within the State of New Mexico it is necessary that a copy of the application and notice thereof be given to owners of off-set acreage. The records reflect that Cities Service Oil Company owns the property lying immediately North of the tract herein sought to be unitized.

The rules provide that unless protest is filed within ten days after notice, the Commission will grant the request without hearing. Please advise the writer at the earliest possible date whether or not you have any objections to this unitization.

Very truly yours,

NEAL & GIRAND,

BY: [signature]

G/ls
encl.
cc: Oil Conservation Commission of New Mexico,
Santa Fe, New Mexico.

C. MELVIN NEAL
W. D. GIRAND, JR.

W. D. GIRAND, SR.

TELEPHONES: 54 & 854
P. O. BOX 1326

NEAL & GIRAND
LAWYERS
NEAL BUILDING
HOBBS, NEW MEXICO

July 19, 1952

Cities Service Oil Company,
Bartlesville, Oklahoma,
Attention: Land Department.

Gentlemen:

I am enclosing herewith copy of application of C. H. Sweet and others to unitize the West 25 acres of the SW¼ SE¼ of Section 7 with the East 15 acres of the SW¼ SE¼ of Section 7 all in Township 20 South, Range 38 East, N.M.P.M., Lea County, New Mexico. This property is the property known as the C. H. Sweet Trickey (A) Lease.

Under the rules of the Oil Conservation Commission of the State of New Mexico, being Rule 104, in order to unitize tracts of land within the State of New Mexico it is necessary that a copy of the application and notice thereof be given to owners of off-set acreage. The records reflect that Cities Service Oil Company owns the property lying immediately North of the tract herein sought to be unitized.

The rules provide that unless protest is filed within ten days after notice, the Commission will grant the request without hearing. Please advise the writer at the earliest possible date whether or not you have any objections to this unitization.

Very truly yours,

NEAL & GIRAND,

BY: W. D. Girand Jr.

G/ls
encl.
cc: Oil Conservation Commission of New Mexico,
Santa Fe, New Mexico.

George:

It appears that Neal & Carroll want a letter from Commission with copy to Tidewater stating that all provisions of Order R-234 have been complied with. If this is true fix up a letter or admonishing order so stating as we can dispose with this. Tidewater is falling up Royalty payments pending Commission approval.

WBM

Messrs Girard
Lawyers
Hobbs New Mexico
Att: Mr. Girard

Re. Case 427

Gentlemen —

Upon receipt of your letter of October 16, 1953 with the Tidewater Consent enclosure, and the previously received photostats of amended leases etc, I considered the provisions of the Order R-2324 duly complied with, and attached a memo to the Material for filing. For some reason I failed to get off a letter to you that the Commission considered the matter and decided the obligation of the Order had been complied with —

Please accept my abject apologies for this oversight

Respectfully yours
George A. Graham
Atty. OCC

OIL CONSERVATION COMMISSION
P. O. BOX 871
SANTA FE, NEW MEXICO

September 25, 1953

Mr. W. D. Girand, Attorney
P. O. Box 1326
HOBBS NEW MEXICO

Dear Mr. Girand: RE: Case 427, Order No. R-234

In the application of C. H. Sweet et al in the above-captioned case, it was alleged that a unit agreement was then being circulated among the royalty owners, thus the proviso in the order. For completion of the record here, it is suggested that at least some unit agreement be filed by the applicants, for which the photostats could be used as support, and as complying with Order No. R-234.

From the photostats it seems clear that there is no objection by the non-working interest holders to unitising, and an agreement filed would be simpler than modifying the order.

Yours very truly,

GG:nr

George Graham

C. MELVIN NEAL
W. D. GIRAND, JR.

KERMIT E. NASH
W. D. GIRAND, SR.

NEAL & GIRAND
LAWYERS
NEAL BUILDING
HOBBS, NEW MEXICO

TELEPHONES:
3-5171 3-5172
P. O. BOX 1326

September 18, 1953

Oil Conservation Commission,
State Capitol,
Santa Fe, New Mexico.
Attention: Mr. R. R. Spurrier.

Re: Case No. 427, Order No. R-234,
In the Matter of the Application of
C. H. Sweet, et ux, et al, for
Authority to Unitize the West 25
Acres and the East 15 Acres of the
NW¼ NE¼ of Section 18, Township 20
South, Range 38 East, N.M.P.M.,
Skaggs Pool, Lea County, New Mexico.

Dear Mr. Spurrier:

On December 16, 1952 the Commission in the above case entered its Order authorizing the unitization of the tract set out above and provided in said Order that the numerous holders of royalty and overriding royalty interests in said tract, "Do sign a unitization agreement or ratify the same within a reasonable time".

It now develops that the Tide Water Associated Oil Company has procured consent from all of the royalty owners covering the two West 25 acres authorizing the unitization of the West 25 acres in any pool or unit agreement. The oil and gas leases executed by the owners of the East 15 acres involved in the two tracts provided for compliance with any orders of any state or federal court, state or federal offices, board or commission.

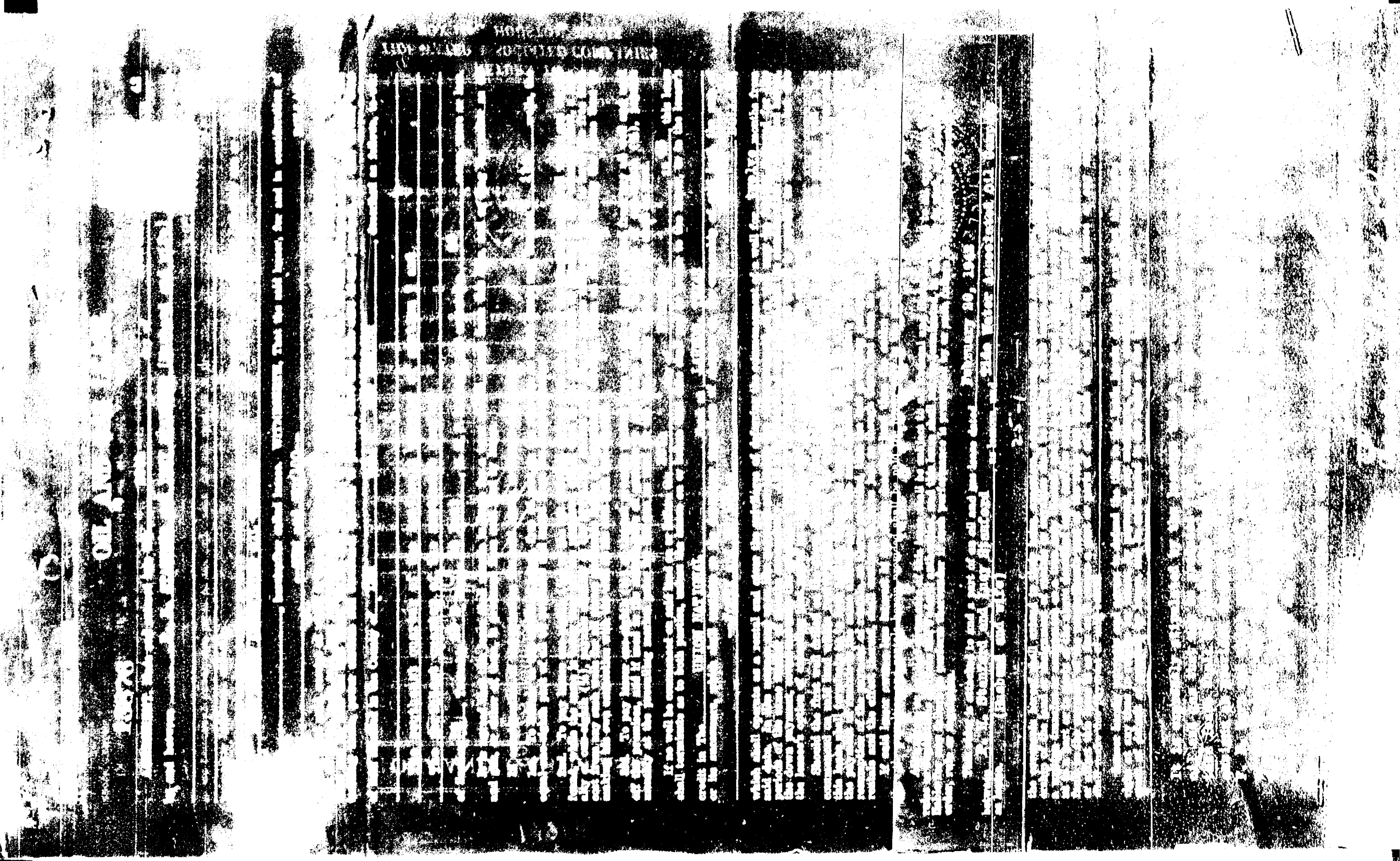
We are enclosing photostatic copies of the amendment to the Tide Water leases together with photostatic copies of the oil and gas leases covering the East 15 acres, and request that you give us an acknowledgment compliance with the terms of your Order.

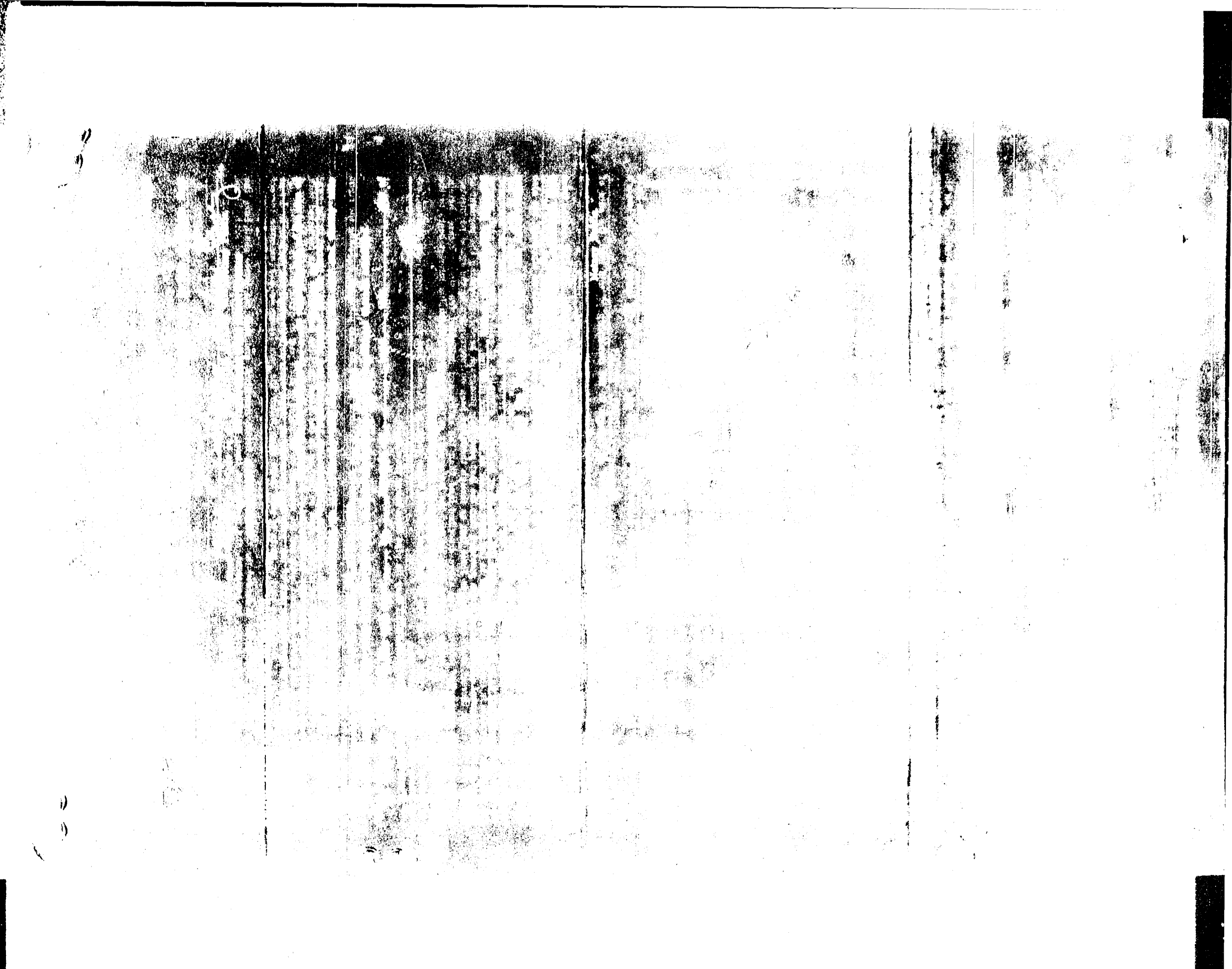
Very truly yours,

NEAL & GIRAND,

BY: W. D. Girand Jr.

G/ls
Encls.
cc: Mr. J. H. Moore,
Box 1424,
Hobbs, New Mexico.





[illegible]

[illegible]

[illegible] ABOVE DESCRIBED LAND,

[illegible]

It is agreed that this lease shall remain in force for a term of [illegible] from date, and so long thereafter as oil or gas [illegible] produced from said land by the lessee. one year

In consideration of the premises the said lessor covenants and agrees:

First. To deliver to the credit of lessor, free of cost, in the pipe line to which he may connect his wells, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

Second. To pay lessor for gas from each well where gas only is found the equal one-eighth (1/8) of the gross proceeds at the prevailing market rate for all gas used off the premises, said payments to be made quarterly and lessee to have gas free of cost from any such well for the exclusive use of lessor in the principal dwelling house on said land during the same time by making the gas connection with the well at the gas mains and supplying the gas.

Third. To pay lessor for gas produced from each well and used off the premises, or for the manufacture of gasoline or any other product therefrom, the gas, one eighth (1/8) of the gross proceeds at the prevailing market rate for the gas during the time such gas shall be used, said payments to be made quarterly.

If no well be commenced on said land on or before the 28th day of February, A.D., 19[illegible] this lease shall terminate as to both parties, [illegible]

[illegible]

Should the first well drilled on the above described land be a dry hole or some-to produce, then and in that event, if a second well be commenced on said land within twelve months from the expiration of the last rental period which period has been paid, this lease shall continue and be in force as though the lease on or before the expiration of said twelve months shall resume the payment of rentals in the manner provided and in the amount provided. And it is agreed that upon the resumption of the payment of rentals, as before provided, that the last preceding paragraph hereof, governing the payment of rentals and the effect thereof, shall continue in force as though there had been no interruption in the rental payments.

If said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided shall be paid the lessor only in proportion which his interest bears to the whole and undivided fee.

Lessee shall have the right to use, free of cost, oil and water produced on said land for its operations thereon, except water from wells of lessor.

When requested by the lessor, lessee shall bury his pipe lines below plow depth.

No well shall be drilled nearer than 200 feet to the house or barn now on said premises, without the written consent of the lessor.

Lessee shall pay for damages caused by its operations to growing crops on said lands.

Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

If the lessee shall commence to drill a well within the term of this lease or any extension thereof, the lessee shall have the right to drill such well to completion with reasonable diligence and dispatch, and if oil or gas, or either of them, be found in paying quantities, this lease shall continue and be in force with like effect as if such well had been completed within the term of years herein first mentioned.

If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to their heirs, executors, administrators, successors or assigns, but no change in the ownership of this land or assignment of rentals or royalties shall be binding on the lessee until after the lessee has been furnished with a written transfer or assignment or a certified copy thereof. In the event of the death of any person entitled to rentals hereunder, any rental payment which may be made hereunder shall be deposited in the depository bank to the credit of the unknown heirs of the deceased lessor or his successor in title until lessee shall have been furnished with certified copies of all proceedings of some court of competent jurisdiction showing who is the lawful lessor or successor in title to the person succeeding to such interest. And it is hereby agreed in the event this lease shall be assigned in whole or in part, or the rents and royalties from the above described lands and the assignee or assignees of such part or parts shall fail or neglect to make the payment of said rentals when required to be made, or default due from him or them, such default shall not operate to defeat or effect this lease in so far as it covers a part or parts of said lands upon which the lessee or any assignee thereof shall make the payment of said rentals. An assignment of this lease, in whole or in part, shall be binding upon the assignee, and shall release and discharge the lessee of all obligation hereunder.

Compliance with any now or hereafter existing act, bill or statute purporting to be enacted by any Federal or State [illegible] judgments, decrees, rules, regulations made or promulgated by State or Federal courts, [illegible] to be made under authority of any such act, bill or statute, shall not constitute a violation of any of the terms of this lease, or any [illegible] clause, obligation, covenant, undertaking, condition or stipulation contained herein, nor shall it be [illegible] or reversing of any estate or interest herein and hereby granted and not cut, nor shall any such [illegible] any action for damages or suit for the forfeiture or cancellation hereof; and which [illegible] by lessee or assigns, to the extent of such compliance operate as modification of the terms and conditions of this lease [illegible]

Lessee may at any time surrender this lease, in whole or in part, by delivering [illegible] the proper county.

Lessor hereby [illegible] by the lessee herein [illegible] deem for lessee's [illegible] on the above described lands, or the [illegible] ated to [illegible]

[illegible]

In Testimony W[illegible]

WITNESS:

[illegible]

STATE OF CALIFORNIA)
) SS:
~~COUNTY OF~~ Santa Clara)

On this the 29th day of January, A.D , 1952, before me personally appeared MARIEE I. KYTE, and BETTY M. DRESSEN and her husband, EDWARD T. DRESSEN, to me personally known to be the persons described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the day and year in this certificate first above written

Lucia N. Roche
NOTARY PUBLIC

My Commission Expires:
February 13, 1955

Notary Public

[illegible]

WHEREAS, on the [illegible] day of [illegible]

and wife, Fleta D. [illegible], as lessor, [illegible] oil and gas lease to Tide Water Associated Oil Company, as lessee, covering the following described lands in Lea County, New Mexico:

> West [illegible] acres of the [illegible] quarter ([illegible]) of the [illegible] quarter ([illegible]) of Section [illegible], and the West [illegible] acres of the [illegible] quarter ([illegible]) of the Northwest quarter ([illegible]) of Section 18, all in Township [illegible] South, Range [illegible] East, NMPM;

said lease being recorded in Book 44, Page 359, of the Records of Lea County, New Mexico, to which lease and the record thereof reference is hereby made for all purposes; and

WHEREAS, the said lease is now in force and effect and is being held by production; and

WHEREAS, it is the desire of the undersigned to amend the said lease so as to include within its terms pooling provisions.

NOW, THEREFORE, for and in consideration of One Dollar ($1.00) and other valuable considerations paid by Tide Water Associated Oil Company, the receipt of which is hereby acknowledged, we, the undersigned, do hereby amend the above oil and gas lease so that the same shall contain the following provisions:

> "Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease, or any portion thereof, as to oil and gas, or either of them, with other land, lease or leases in the immediate vicinity thereof to the extent hereinafter stipulated, when in lessee's judgment it is necessary or advisable to do so in order properly to develop and operate said leased premises in compliance with the spacing rules of the Mineral Board of New Mexico, or other lawful authority, or when to do so would, in the judgment of Lessee, promote the conservation of oil and gas from said premises. Units pooled for oil hereunder shall not substantially exceed 40 acres in area, and units pooled for gas hereunder shall not substantially exceed in area 160 acres, provided that should governmental authority having jurisdiction prescribe or permit the creation of units larger than those specified, units thereafter created may conform substantially in size with those prescribed by governmental regulations. Lessee under the provisions hereof may pool or combine acreage covered by this lease, or any portion thereof as

[illegible]

nothing herein contained shall be construed as altering, amending or impairing any of the terms and provisions of such lease except as specifically amended hereby, but all of the other terms and provisions of the lease shall apply to and be construed with the hereby amended terms and provisions of the lease in the same manner as if such lease had been originally written as now amended.

This amendment may be executed in any number of counterparts and each such counterpart so executed shall have the same force and effect as an original instrument and as if all of the parties had signed the same document. It is further understood and agreed that notwithstanding all of the undersigned do not execute this agreement or a counterpart thereof, this amendment shall still be binding upon those who do execute the same, and their heirs and assigns.

EXECUTED this the 17th day of July, 1958.

Walter Tricky

Flora D. Tricky

[illegible]

before me [illegible]

to me personally known to be the person___ [illegible] who executed the foregoing instrument, and acknowledged that He executed the same as his free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the day and year in this certificate first above written.

My commission expires 6-1-53 [illegible] Notary Public [illegible]

THE STATE OF Texas

COUNTY OF Frio

On this the 17 day of July A. D. 1952 before me personally appeared Flora D. Trickey

to me personally known to be the person___ described in and who executed the foregoing instrument, and acknowledged that She executed the same as her free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the day and year in this certificate first above written.

My commission expires 6-1-53 [illegible] Notary Public [illegible]

THE STATE OF _____

COUNTY OF _____

On this the ___ day of _____ A. D., 19___ before me personally appeared _____

to me personally known to be the person___ described in and who executed the foregoing instrument, and acknowledged that executed the same as _____ free [illegible]

[illegible]

[illegible]

[illegible]

[illegible]

J. L. Wood

C. D. Calkins

P. A. Greening

W. J. Hoene

B. L. McGee

Don R. Sturgeon

Gertrude Hoene

Anna Maude Wood

Vera H. Haynes

Hilma C. Sturgeon

Louise H. McGee

before me [illegible]

to me personally known to be the [illegible] described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the day and year in this certificate first above written.

My commission expires June 1, 1953

Joyce Armstrong
Notary Public
Joyce Armstrong
2309 Washington Ave.
El Paso, Texas

THE STATE OF California

COUNTY OF San Bernardino

On this the 16th day of July A. D. 19 52, before me personally appeared J. L. Wood and Anna Maude Wood, his wife,

to me personally known to be the person s described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the day and year in this certificate first above written.

My commission expires 4/3/1956

Rose Stewart
Notary Public
120 So. Orange Street,
Rialto, California

THE STATE OF Kansas

COUNTY OF Shawnee

On this the 19th day of July A. D., 19 52 before me personally appeared Frank Haynes, Guardian of James R. Haynes, I.C.M., and Frank Haynes, individually and Vera E. Haynes, his wife

to me personally known to be the person s described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the day and year in this certificate first

My commission expires [illegible]

18

[illegible]

[illegible] the state of [illegible]

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the day and year in this certificate first above written.

My commission expires July 4, 19[illegible]

[illegible]
Des Moines [illegible]

THE STATE OF Illinois

COUNTY OF Fulton

On this the 22nd day of July A. D. 1952, before me personally appeared [illegible] and [illegible], his wife

to me personally known to be the persons described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the day and year in this certificate first above written.

My commission expires March 15, 1954

Ethel Mannaker
Notary Public
354 East Olive Street
CANTON, ILLINOIS.

THE STATE OF Georgia

COUNTY OF Fulton

On this the 22nd day of July A. D., 1952 before me personally appeared [illegible]

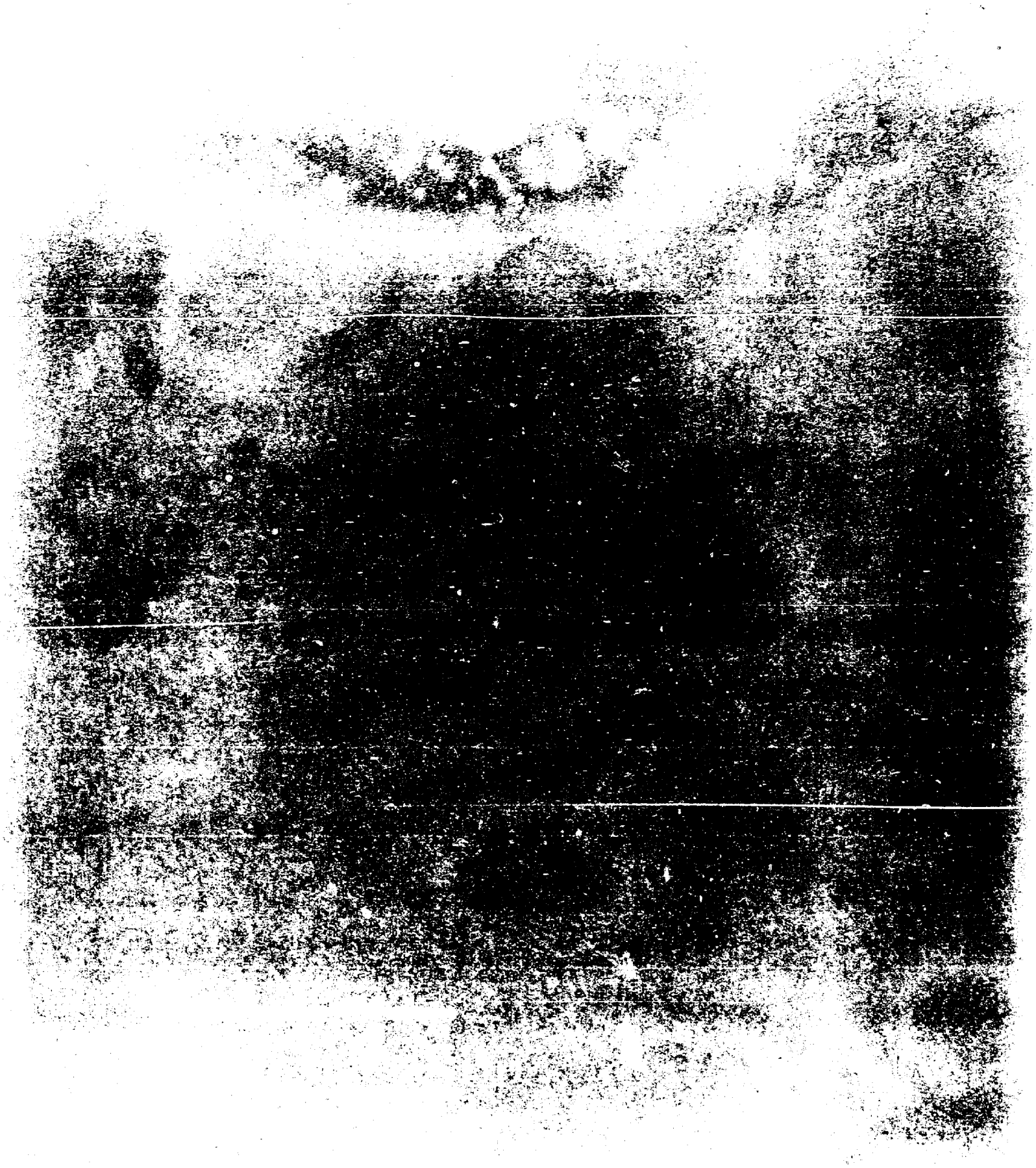
to me personally known to be the [illegible]

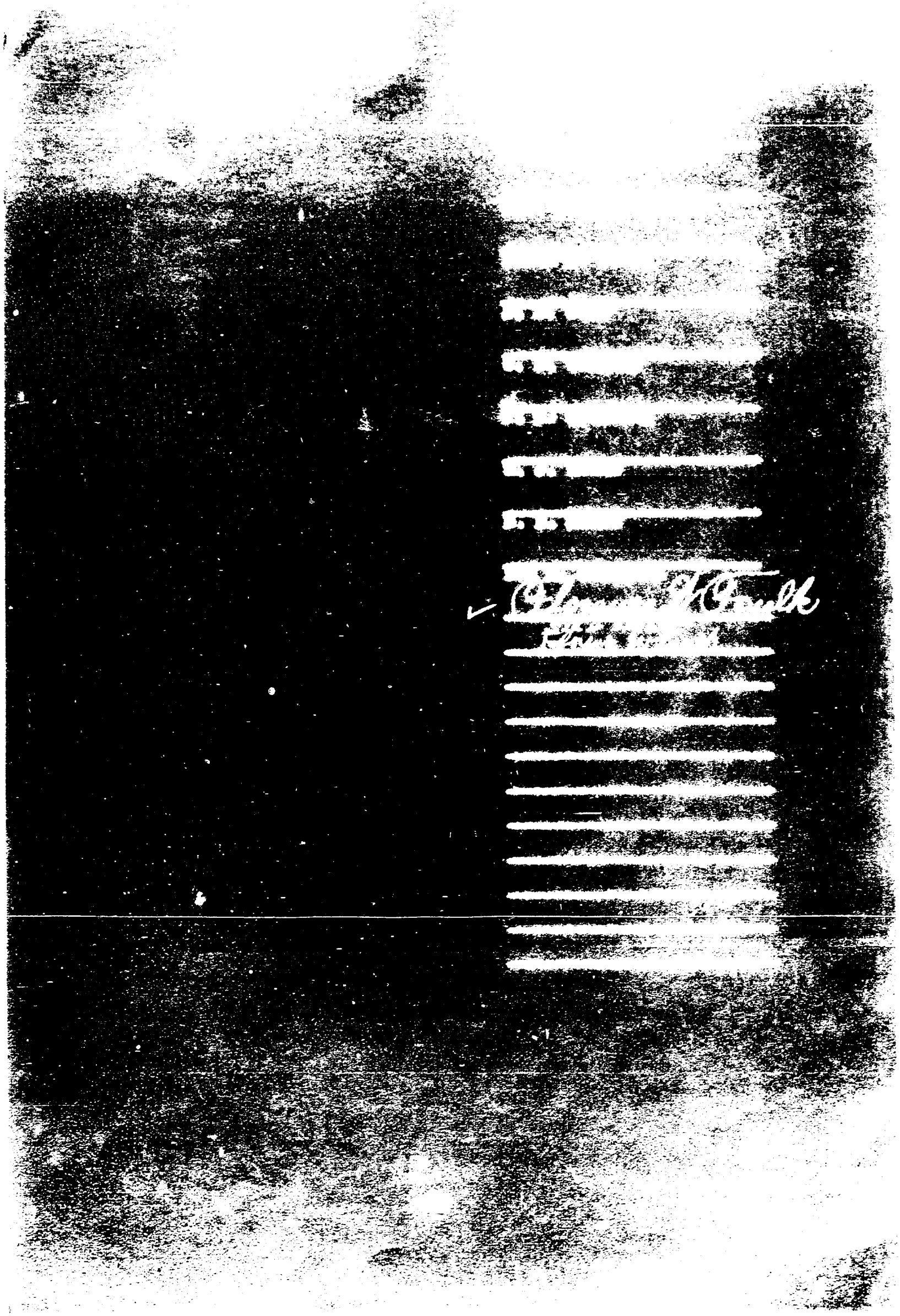
executed the foregoing instrument, and acknowledged that they [illegible] the same as their free act and deed.

IN WITNESS WHEREOF, I [illegible]

[illegible]

19 5





[illegible] the same as _____ free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the day and year in this certificate first above written.

My commission expires _____

_____
NOTARY PUBLIC

THE STATE OF Minnesota

COUNTY OF Cass

On this the 2 day of August A. D. 19 [illegible]

before me personally appeared Florence H. Foulk
FLORENCE—W—FOOLK

to me personally known to be the person___ described in and who executed the foregoing instrument, and acknowledged that she executed the same as her free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the day and year in this certificate first above written.

My commission expires _____

CLIFFORD H. ZAFFKE
Notary Public, Cass County, Minn.
My Commission Expires April 11, 1966.

_____
NOTARY PUBLIC

THE STATE OF _____

COUNTY OF _____

On this the ____ day of _____

before me personally appeared _____

to me personally known to be the person___ [illegible] executed the [illegible] instrument, and [illegible] executed the [illegible]

[illegible]

official [illegible]

above written.

My commission [illegible]

14612

Pilot Cabin

[illegible] the foregoing instrument, and acknowledged [illegible] executed the same as [illegible] free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the day and year in this certificate first above written.

My Commission Expires Mar. 28, 1986

My commission expires _____ Arthur C. Roy

Notary Public

THE STATE OF _____

COUNTY OF _____

On this the ____ day of _____ A. D. 19___, before me personally appeared _____

_____

to me personally known to be the person___ described in and who executed the foregoing instrument, and acknowledged that _____ executed the same as _____ free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the day and year in this certificate first above written.

My commission expires _____ _____

Notary Public

THE STATE OF _____

COUNTY OF _____

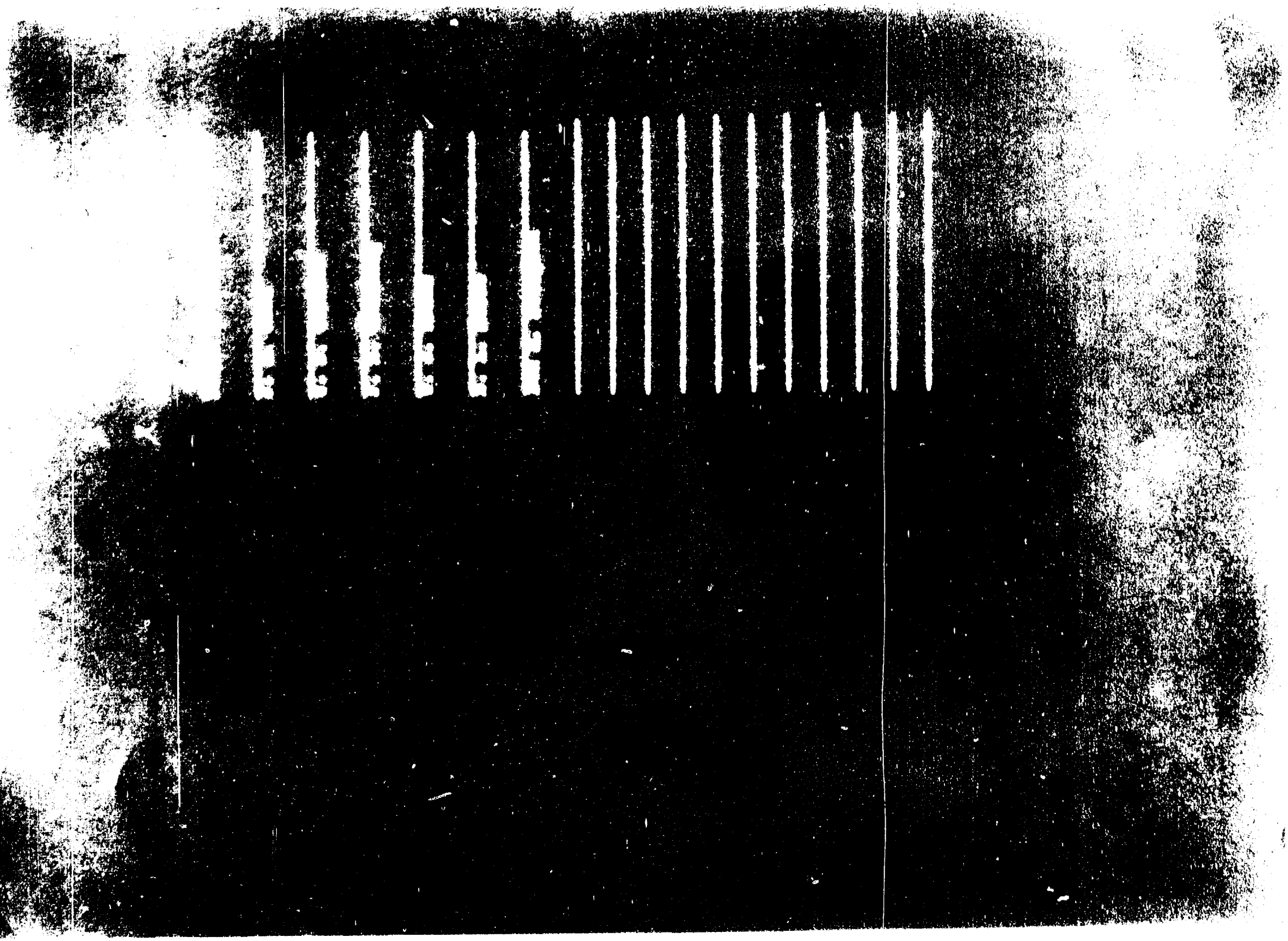
On this the ____ day of _____ A. D., 19___ before me personally appeared _____

_____

to me personally known to be the person___ described in and who executed the foregoing instrument, and acknowledged _____

FILED FOR RECORD SEP 11 [illegible]

15626 of 2



[illegible] and [illegible] instrument, and acknowledged that [illegible] executed the same as _____ free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the day and year in this certificate first above written.

My commission expires May 8, 1953 _____ Notary Public

THE STATE OF Missouri

COUNTY OF Jackson

On this the 7 day of August A. D. 1952 before me personally appeared Ella B. Gladish, a single woman

to me personally known to be the person ___ described in and who executed the foregoing instrument, and acknowledged that she executed the same as her free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the day and year in this certificate first above written.

My commission expires May 8, 1953 _____ Notary Public

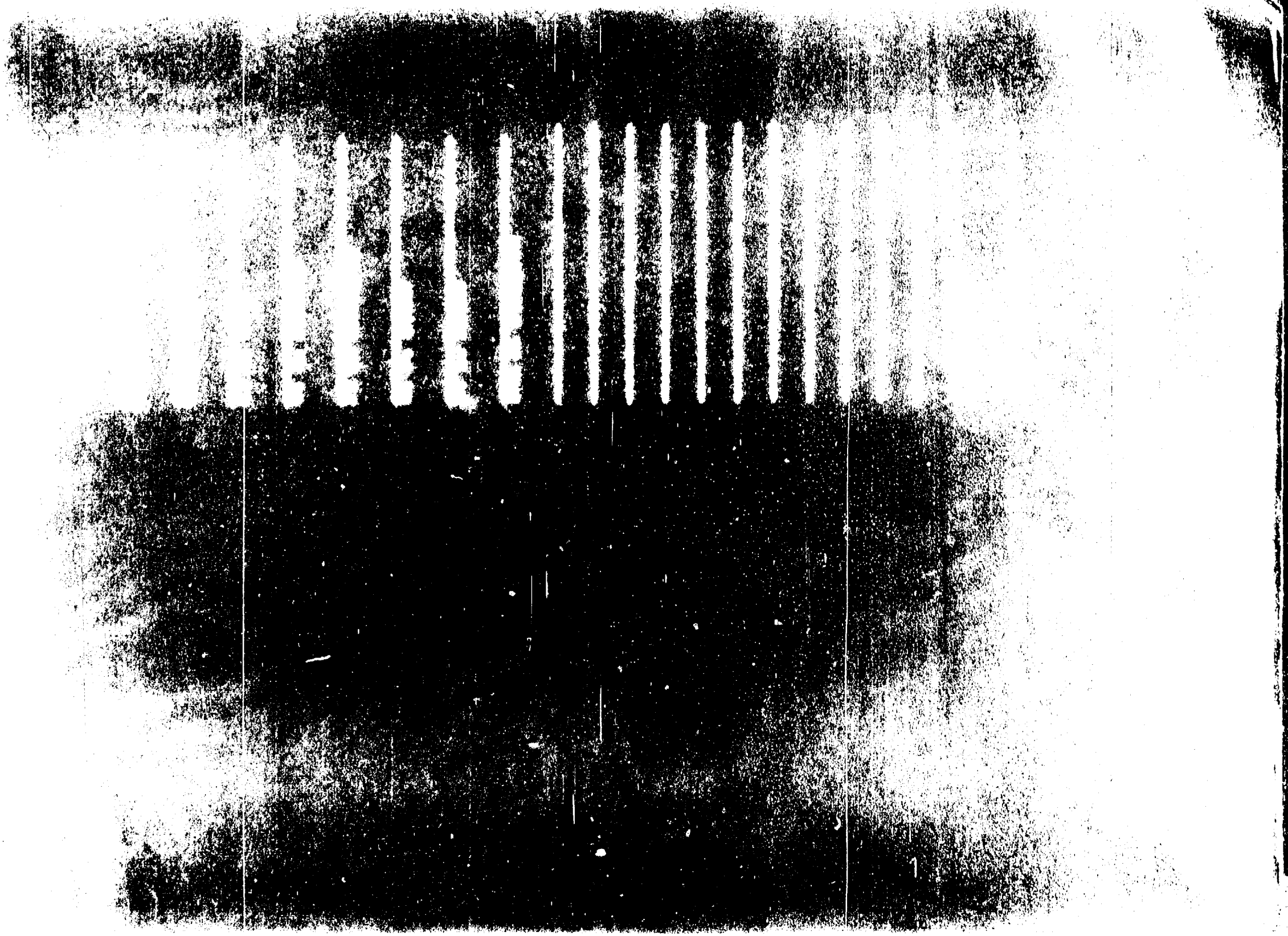
THE STATE OF _____

COUNTY OF _____

On this the ___ day of [illegible] A. D., 19___ before me personally appeared [illegible]

to me [illegible] be the person ___ [illegible] who [illegible]

State of New Mexico, County of Lea, ss. FILED FOR RECORD AUG 11 [illegible]



[illegible] that executed the same as their free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the day and year in this certificate first above written.

My commission expires Aug 23 1952 Walter F. Wolfe Notary Public

THE STATE OF _____

COUNTY OF _____

On this the ____ day of _____ A. D. 19___, before me personally appeared _____

_____

to me personally known to be the person___ described in and who executed the foregoing instrument, and acknowledged that _____ executed the same as _____ free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the day and year in this certificate first above written.

My commission expires _____ State of New Mexico, County of Lea, ss. FILED FOR RECORD Notary Public

AUG 11 [illegible]

THE STATE OF _____

COUNTY OF _____

On this the ____ day of _____ A. D. 19___ before me personally appeared _____

_____

to me personally [illegible]

[illegible]

[illegible] executed the foregoing instrument, [illegible] that [illegible] executed the same as [illegible] free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the day and year in this certificate first above written.

My commission expires [illegible] [illegible]
Notary Public

THE STATE OF _____

COUNTY OF _____

On this the ____ day of _____ A. D. 19___, before me personally appeared _____

_____

to me personally known to be the person___ described in and who executed the foregoing instrument, and acknowledged that _____ executed the same as _____ free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the day and year in this certificate first above written.

My commission expires _____ _____
Notary Public

THE STATE OF _____

COUNTY OF _____

On this the ____ day of _____ A. D., 19___ before me personally appeared _____

_____

to me personally known to be the person___ described in and who executed the foregoing instrument, and acknowledged that _____ executed the same as _____ free act and deed.

NANCY -

This GRAND MATERIAL
GOES IN CASE 427.
In the ORDER in THAT CASE (R-234)
THERE IS A PROVISO CALLING
FOR A UNIT AGREEMENT — finally
ALL HAVE SIGNED UP - AND
THE ORDER IS NOW IN FULL FORCE
AND EFFECT.

G

C. MELVIN NEAL
W. D. GIRAND, JR.

KERMIT E. NASH
W. D. GIRAND, SR.

NEAL & GIRAND
LAWYERS
NEAL BUILDING
HOBBS, NEW MEXICO

TELEPHONES:
3-5171 3-5172
P. O. BOX 1326

October 16, 1953

2445

Mr. George Graham, Attorney,
Oil Conservation Commission,
Santa Fe, New Mexico.

Dear George:

Following the suggestion and the discussion we had in regard to Case No. 427 and Order No. R-234 of the Commission, I am enclosing herewith consent of Tidewater Associated Oil Company together with an executed copy of Unitization Agreement executed by Morris Antweil and wife, J. Hiram Moore and wife, and C. H. Sweet and wife.

With these enclosures, I feel that the requirements of Order No. R-234 have been complied with.

Please advise.

Very truly yours,

NEAL & GIRAND,

BY: W. D. Girand Jr.

G/ls
Encls.
cc: Mr. J. Hiram Moore, Box 1537, Hobbs, New Mexico.

TIDE WATER ASSOCIATED OIL COMPANY
MID-CONTINENT DIVISION
MELLIE ESPERSON BLDG. POST OFFICE BOX 1404
HOUSTON 1, TEXAS

October 14, 1953

Oil Conservation Commission
State of New Mexico
Santa Fe, New Mexico

Re: Case No. 427
Order No. R-234

Gentlemen:

This is to advise that Tide Water Associated Oil Company, the owner of an overriding royalty under the West 25 acres and the East 15 acres of the Northwest quarter of the Northeast quarter of Section 18, Township 20 South, Range 38 East, in the Skaggs Pool, Lea County, New Mexico, consents to the above Order and case number whereby the Oil Conservation Commission of the State of New Mexico unitized for production and allowable purposes to a depth of 4,000 feet the West 25 acres and the East 15 acres of the said Northwest quarter of the Northeast quarter of Section 18.

It is our understanding that the Commission will finally approve the above Order upon the receipt of this letter from Tide Water Associated Oil Company. If there be any other instrument or information the Commission desires, our Company will be happy to supply the same.

Very truly yours,

TIDE WATER ASSOCIATED OIL COMPANY

By J R Graham
Assistant Vice President

JRG-ROK:EB

A G R E E M E N T

KNOW ALL MEN BY THESE PRESENTS:

That this agreement, entered into by and among C. H. SWEET, and his wife, TEO C. SWEET; J. HIRAM MOORE and his wife, BETTY JANE MOORE; MORRIS R. ANTWEIL and his wife, ROSE S. ANTWEIL, all of Hobbs, Lea County, New Mexico, WITNESSETH:-

That all of the parties to this agreement are equal owners in the following described oil and gas leases, to-wit:

(1) Oil, Gas and Mining Lease, dated February 2[illegible], 1942, executed by W. T. Trickey and wife, Flora D. Trickey, as lessors, in favor of Tidewater Associated Oil Company, as lessee, filed for record March 2[illegible], 1942 at 4:2[illegible] P.M., recorded in Book 4[illegible], Page 35[illegible], Oil & Gas Lease Records, Lea County, New Mexico and covering the West 45 acres of the NW¼ NE¼ of Section 18, Township 2[illegible] South, Range 38 East, N.M.P.M., Lea County, New Mexico;

(2) Oil, Gas and Mining Lease, dated May 25, 1945, executed by P. H. Stanford and wife, Lucy Stanford, as lessors, in favor of J. H. Moore, as lessee, recorded on June 14, 1945 at 11:2[illegible] A.M., Book 56, Page 604, Oil & Gas Lease Records of Lea County, New Mexico, covering 4/13 interest in the East 15 acres of the NW¼ NE¼ of Section 18, Township 20 South, Range 38 East, N.M.P.M., Lea County, New Mexico; said lease expressly granting to lessee the right to pool or combine his lease with other leases for development purposes and operation;

(3) Oil, Gas and Mining Lease, dated May 25, 1945 and executed by Walter Trickey and wife, Flora D. Trickey, as lessors, in favor of J. H. Moore, as lessee, recorded June 14, 1945 at 11:2[illegible] A.M., Book 56, Page 607, Oil & Gas Lease Records, Lea County, New Mexico, covering an undivided 9/13 interest in the East 15 acres of the NW¼ NE¼ of Section 18, Township 20 South, Range 38 East, N.M.P.M., Lea County, New Mexico, said lease expressly granting to lessee the right to pool or combine his lease with other leases for development purposes and operation.

That the three above-described leases cover in part a legal forty acre sub-division, being the NW¼ NE¼ of Section 18, Township 20 South, Range 38 East, N.M.P.M., Lea County, New Mexico.

That under Rule 104, adopted by the Oil Conservation Commission of the State of New Mexico, the well spacing authorized

by said Commission is confined to forty acre tracts insofar as same is practicable.

That the undersigned, the present owners of the working interest covered by the above-described leases, have pooled the West 25 acres of the NW$\frac{1}{4}$ NE$\frac{1}{4}$ of Section 18, together with the East 15 acres of the NW$\frac{1}{4}$ NE$\frac{1}{4}$ of Section 18, all in Township 20 South, Range 38 East, N.M.P.M., Lea County, New Mexico, in order to establish and create one full drilling unit on said tract so that any well drilled on said tract will be entitled to a full allowable, as defined under the rules of the Oil Conservation Commission of the State of New Mexico.

NOW, THEREFORE, we, the undersigned, owning all of the working interest under the above-described oil and gas leases, for and in consideration of the mutual benefits to be derived by the execution of this pooling agreement, and in order to operate the well to be drilled upon said forty acre pooled unit as a full drilling unit, do hereby agree, each with the other, that for the purpose of exploration and production of oil and gas that may be produced from the above-described forty acre sub-division covered by the leases hereinabove described to pool all property covered by said oil and gas leases into one drilling unit, to-wit: NW$\frac{1}{4}$ NE$\frac{1}{4}$ of Section 18, Township 20 South, Range 38 East, and provide that all oil and gas produced from any well or wells located upon said forty acre sub-division shall be divided and apportioned to each lease as each lease relates to the entire forty acre sub-division, subject to reserved overriding royalties in favor of the Tidewater Associated Oil Company and J. Hiram Moore, and subject to approval of the Oil Conservation Commission of the State of New Mexico, and subject to approval of a unitization agreement to be executed by all royalty owners under all of said leases above-described.

IN WITNESS WHEREOF, our hands this the 27th day of June, A.D., 1952.

C. H. Sweet

Imo E. Sweet

J. Hiram Moore

Betty Jane Moore

Morris R. Antweil

Rose S. Antweil

STATE OF NEW MEXICO)
COUNTY OF LEA)SS.

On this the 27th day of June, A.D., 1952, before the undersigned authority in and for said county and state, personally appeared C. H. SWEET and his wife, IMO E. SWEET; J. HIRAM MOORE and his wife, BETTY JANE MOORE; MORRIS R. ANTWEIL and his wife, ROSE S. ANTWEIL, to me known to be the persons described in and who executed the foregoing instrument, and acknowledged to me that they executed the same as their free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.

William R. Hollis
NOTARY PUBLIC

My Commission Expires:
4-30-54.

G/ls

A G R E E M E N T

KNOW ALL MEN BY THESE PRESENTS:

That this agreement, entered into by and among C. H. SWEET, and his wife, IMO E. SWEET; J. HIRAM MOORE and his wife, BETTY JANE MOORE; MORRIS R. ANTWEIL and his wife, ROSE S. ANTWEIL, all of Hobbs, Lea County, New Mexico, WITNESSETH:-

That all of the parties to this agreement are equal owners in the following described oil and gas leases, to-wit:

(1) Oil, Gas and Mining Lease, dated February 28, 1942, executed by J. T. Trickey and wife, Flora D. Trickey, as lessors, in favor of Tidewater Associated Oil Company, as lessee, filed for record March 25, 1942 at 4:20 P.M., recorded in Book 44, Page 359, Oil & Gas Lease Records, Lea County, New Mexico, and covering the West 25 acres of the SW¼ SE¼ of Section 7, Township 20 South, Range 38 East, N.M.P.M., Lea County, New Mexico;

(2) Oil, gas and Mining Lease, dated January 24, 1952, executed by C. H. Kyte and wife, Mariee I. Kyte and Betty M. Dressen and husband, Edward P. Dressen, as lessors, in favor of C. H. Sweet, Morris R. Antweil and J. Hiram Moore, recorded February 7, 1952 at 8:55 A.M., in Book 97, Page 486, Oil & Gas Lease Records, Lea County, New Mexico, covering the East 15 acres of the SW¼ SE¼ of Section 7, Township 20 South, Range 38 East, N.M.P.M., Lea County, New Mexico, down to a total depth of 4,000 feet below the surface;

That the two above-described leases cover in part a legal forty acre sub-division, being the SW¼ SE¼ of Section 7, Township 20 South, Range 38 East, N.M.P.M., Lea County, New Mexico.

That under Rule 104, adopted by the Oil Conservation Commission of the State of New Mexico, the well spacing authorized by said Commission is confined to forty acre tracts insofar as same is practicable.

That the undersigned, the present owners of the working interest covered by the above-described leases, have pooled the West 25 acres of the SW¼ SE¼ of Section 7 and the East 15 acres of the SW¼ SE¼ of Section 7, all in Township 20 South, Range 38 East, N.M.P.M., Lea County, New Mexico, in order to establish and create one full drilling unit on said tract so

that any well drilled on said tract will be entitled to a full allowable, as defined under the rules of the Oil Conservation Commission of the State of New Mexico.

NOW, THEREFORE, we, the undersigned, owning all of the working interest under the above-described oil and gas leases, for and in consideration of the mutual benefits to be derived by the execution of this pooling agreement, and in order to operate the well to be drilled upon said forty acre pooled unit as a full drilling unit, do hereby agree, each with the other, that for the purpose of exploration and production of oil and gas that may be produced from the above-described forty acre sub-division covered by the leases hereinabove described to pool all property covered by said oil and gas leases into one drilling unit, to-wit: SW¼ SE¼ of Section 7, Township 20 South, Range 38 East, N.M.P.M., Lea County, New Mexico, and provide that all oil and gas produced from any well or wells located upon said forty acre sub-division shall be divided and apportioned to each lease as each lease relates to the entire forty acre sub-division, subject to reserved overriding royalties in favor of the Tidewater Associated Oil Company and C. H. Kyte and wife, Mariee I. Kyte, and Betty M. Dressen and husband, Edward T. Dressen, and subject to approval of the Oil Conservation Commission of the State of New Mexico, and subject to approval of a unitization agreement to be executed by all royalty owners under all of said leases above-described.

IN WITNESS WHEREOF, our hands this the 30th day of June, A.D., 1952.

C. H. Sweet

Imo E. Sweet

J. Hiram Moore

Betty Jane Moore

Morris R. Antweil

Rose S. Antweil

STATE OF NEW MEXICO)
) SS.
COUNTY OF LEA)

On this the 30th day of June, A.D., 1952, before the undersigned authority in and for said county and state, personally appeared C. H. SWEET and his wife, IWO E. SWEET; J. HIRAM MOORE and his wife, BETTY JANE MOORE; MONNES R. ANTWEIL and his wife, ROSE S. ANTWEIL, to me known to be the persons described in and who executed the foregoing instrument, and acknowledged to me that they executed the same as their own free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.

William R. Hollis
NOTARY PUBLIC

My Commission Expires:
April 30, 1954.

G/Ls