

CASE 3519: Application of ROBERT
N. ENFIELD for compulsory pooling
Chaves County, New Mexico.

CASE NO.
3519

Application,
TRANSCRIPTS,
SMALL Exhibits
ETC.

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

March 9, 1971

Mr. William J. Phelan
P. O. Box 31772
Dallas, Texas 75231

Re: Case No. 3519
Order No. R-3189

Dear Mr. Phelan:

In response to your letter of February 25, 1971, expressing a need for an accounting for the well drilled under authority of the above-described order, I wish to point out that a search of the Commission records and a telephone conversation with Mr. Robert Enfield reveal that the well that was to be drilled under authority of the pooling order of the Commission was never drilled. Mr. Enfield did advise me that a well was drilled in the NW/4 NE/4 of the Section 11 by virtue of a voluntary agreement using the pooling order as a basis for the agreement, and that he has furnished an accounting to Mr. Walter B. Holton and will be glad to furnish you an accounting if you so request.

If this office can be of further assistance, please let me know.

Very truly yours,

GEORGE M. HATCH
Attorney

GMH/esr

cc: Mr. Robert Enfield
P. O. Box 807
Roswell, New Mexico 88201

C
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P
Y

WILLIAM J. PHELAN

P. O. BOX 31772

MIDLAND, TEXAS 79701

Dallas, Texas 75231

February 25, 1971

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. George M. Hatch

RE: Case No. 3519
Order No. R-3189

Dear Mr. Hatch:

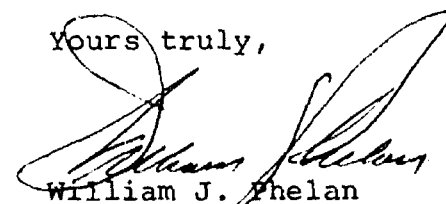
By the above order, my interest in the NW/4 of Section 11 T8S R33E, Chaves County, New Mexico, was forced pooled by Mr. Robert N. Enfield of Roswell, New Mexico. The date of this force pool was February 1, 1967.

Since that time I have been unable to get Mr. Enfield to make an accounting of his income and costs on this well, so that I can reasonably determine whether he has received the 125% plus operational expenses allowed by your commission.

I would like to inquire as to whether the Commission has any machinery set up to force an operator, who is operating under a commission order, to produce these figures. If it is necessary to petition the Commission to get these figures, I would be glad to do so and would appreciate any information you can give me as to how to proceed.

With thanks for your attention to this, I am

Yours truly,


William J. Phelan

WJP/rb

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE No. 3519
Order No. R-3189

APPLICATION OF ROBERT N. ENFIELD
FOR COMPULSORY POOLING, CHAVES COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 25, 1967, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 1st day of February, 1967, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Robert N. Enfield, seeks an order pooling all mineral interests in the Chaveroo-San Andres Pool underlying the NW/4 NW/4 of Section 11, Township 8 South, Range 33 East, NMPM, Chaves County, New Mexico.

(3) That the applicant has the right to drill and proposes to drill a well in the NW/4 NW/4 of said Section 11 to the Chaveroo-San Andres Pool.

(4) That there are interest owners in the proposed spacing unit who have not agreed to pool their interests.

(5) That to avoid the drilling of unnecessary wells, to protect correlative rights, and to afford to the owner of each interest in said unit the opportunity to recover or receive without unnecessary expense his just and fair share of the oil in said pool, the subject application should be approved by pooling all mineral interests, whatever they may be, within said unit.

(6) That the applicant should be designated the operator of the subject well and unit.

(7) That 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) That any non-consenting working interest owner that does not pay his share of estimated well costs should have withheld from production his share of the reasonable well costs plus an additional 25% thereof as a reasonable charge for the risk involved in the drilling of the well.

(9) That any non-consenting interest owner should be afforded the opportunity to object to the actual well costs but that said actual well costs should be adopted as the reasonable well costs in the absence of such objection.

(10) That following determination of reasonable well costs, any non-consenting working interest owner that 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) That \$125.00 per month should be fixed as the reasonable cost of operating the subject well and each non-consenting working interest owner should be assessed with his share of such cost, to be paid out of production.

(12) That 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.

IT IS THEREFORE ORDERED:

(1) That all mineral interests, whatever they may be, in the Chaveroo-San Andres Pool underlying the NW/4 NW/4 of Section 11, Township 8 South, Range 33 East, NMPM, Chaves County, New Mexico, are hereby pooled to form a 40-acre oil spacing unit to be dedicated to the Robert N. Enfield Hale Well No. 1 to be located 330 feet from the North line and 660 feet from the West line of said Section 11.

(2) That Robert N. Enfield is hereby designated the operator of the subject well and unit.

(3) That the operator shall furnish each known working interest owner in the subject unit an itemized schedule of estimated well costs within 30 days following the date of this order.

(4) That 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 that 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) That the operator shall furnish the Commission and each known working interest owner in the subject unit an itemized schedule of actual well costs within 30 days following completion of the well; that if no objection to the actual well costs is received by the Commission and the Commission has not objected within 60 days following completion of the well, the actual well costs shall be the reasonable well costs; provided however, that if there is an objection to actual well costs within said 60-day period, the Commission will determine reasonable well costs after public notice and hearing.

(6) That within 30 days following determination of reasonable well costs, any non-consenting working interest owner that 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.

-4-

CASE No. 3519

Order No. R-3189

(7) That 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, 25% 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) That the operator shall distribute said costs and charges withheld from production to the parties who advanced the well costs.

(9) That \$125.00 per month is hereby fixed as the reasonable cost of operating the subject well, and the operator is hereby authorized to withhold from production the proportionate share of such cost attributable to each non-consenting working interest.

(10) That 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) That any well costs or charges which are to be paid out of production shall be withheld only from the working interests' share of production, and no costs or charges shall be withheld from production attributable to royalty interests.

(12) That all proceeds from production from the subject well which are not disbursed for any reason shall be placed in escrow in Chaves County, New Mexico, to be paid to the true owner thereof upon demand and proof of ownership; that the operator shall notify the Commission of the name and address of said escrow agent within 90 days from the date of this order.

-5-

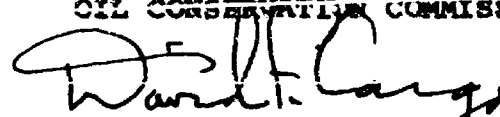
CASE No. 3519

Order No. R-3189

(13) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



DAVID F. CARGO, Chairman



GUYTON B. HAYS, Member



A. L. PORTER, Jr., Member & Secretary

S E A L

esr/

ROBERT N. ENFIELD
OIL PROPERTIES
P. O. BOX 807
ROSWELL, NEW MEXICO 88201

67 JAN 30 1967

622-5552

January 27, 1967

New Mexico Oil Conservation Commission
P.O. Box 2088
Santa Fe, New Mexico

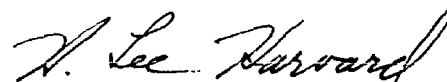
Attention: Mr. Elvis Utz

Re: Case # 3519
Robert N. Enfield Application

Dear Sir:

As per your request at the hearing of the above captioned case, I am sending you the monthly operating charge for the proposed well covered by this application. That charge would be \$125.00 per month per well.

Respectfully submitted,



H. LEE HARVARD
Geologist

HLH/ss
Enc.

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO

August 21, 1967

C
O
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Y

Mr. Walter B. Holton
Post Office Box 618
Midland, Texas 79701

Re: Case No. 3519
Order No. R-3189

Dear Mr. Holton:

The afore-mentioned pooling order does not make provision for termination of said order and the Commission considers its pooling orders as remaining in effect until further order, or until a dry hole is drilled or production ceases.

In a hearing to consider rescission of a pooling order the Commission would consider, among other things, whether the operator has proceeded with the diligence required of a prudent operator to effect production from the unit.

Very truly yours,

GEORGE M. HATCH
Attorney

GMH:ir

Walter B. Holton

P. O. Box 618
Midland, Texas 79701

August 18, 1967

New Mexico Oil Conservation Commission
P.O. Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. George M. Hatch

RE: CASE NO. 3519
ORDER NO. R-3189

Gentlemen:

Captioned order provided for the drilling of a well in NW $\frac{1}{4}$ of NW $\frac{1}{4}$ Section 11, Township 8 South, Range 33 East, Chaves County, New Mexico. The well has not been drilled, although I did come to an agreement with the operator to drill the next location East; he has done so.

I find nothing in the order which makes provision for termination of the order in the event no well is drilled. I hereby respectfully request that you advise as to when the order terminates; or is it something which continues on into perpetuity?

Yours very truly,

Walter B. Holton
Walter B. Holton

CLARENCE E. HINKLE
W. E. BONDURANT, JR.
S. B. CHRISTY IV
LEWIS C. COX, JR.
PAUL W. EATON, JR.
CONRAD E. COFFIELD
HAROLD L. HENSLEY, JR.
MICHAEL R. WALLER

LAW OFFICES
HINKLE, BONDURANT & CHRISTY
HINKLE BUILDING
ROSWELL, NEW MEXICO

OF COUNSEL: HIRSH M. DOW
TELEPHONE 622-6510
AREA CODE 505
POST OFFICE BOX 10

December 20, 1966

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico

Attention: Mr. A. L. Porter, Jr.

Re: ROBERT N. ENFIELD Force Pooling
Application

Gentlemen:

We enclose in triplicate Application of Robert N. Enfield for an Order pooling the leasehold interest of Walter B. Holton. We would appreciate an examiner hearing on the Application at the earliest time possible. We are this day mailing a copy of the Application to Mr. Holton by certified mail, return receipt requested.

The address of Robert N. Enfield is P. O. Box 307, Roswell, New Mexico, the address of Walter B. Holton is P. O. Box 618, Midland, Texas, and the address of Getty Oil Company is P. O. Box 1231, Midland, Texas. If necessary, you may consider this letter as part of the Application.

Yours very truly,

HINKLE, BONDURANT & CHRISTY

Paul W. Eaton, Jr.
Paul W. Eaton, Jr.

PWE:jy
Encl.

cc: Mr. Robert N. Enfield
cc: Mr. Walter B. Holton

*Send
Copy to
to + Mr. Holton*

DOCKET MAILED

Date 1-12-67

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

APPLICATION OF ROBERT N. ENFIELD
FOR AN ORDER POOLING ALL MINERAL,
ROYALTY AND LEASEHOLD INTERESTS
PURSUANT TO SECTION 65-3-14 NEW
MEXICO STATUTES 1953 ANNOTATED
FOR THE PURPOSE OF DRILLING A WELL
FOR OIL AND GAS IN THE CHAVEROO-
SAN ANDRES POOL SITUATED IN ROCSEVELT
AND CHAVES COUNTIES, NEW MEXICO 330)
FEET FROM THE NORTH LINE AND 660 FEET
FROM THE WEST LINE IN THE NW $\frac{1}{4}$ NW $\frac{1}{4}$ SECTION
11, TOWNSHIP 8 SOUTH, RANGE 33 EAST,
N.M.P.M.

Comes Robert N. Enfield of Roswell, New Mexico and hereby makes application to the New Mexico Oil Conservation Commission for an order pooling all mineral, royalty and leasehold interests in and to the NW $\frac{1}{4}$ NW $\frac{1}{4}$ Section 11, Township 8 South, Range 33 East, N.M.P.M. for the purpose of drilling a well to be located 330 feet from the North line and 660 feet from the West line of said section to a depth of approximately 4400 feet in the Chaveroo - San Andres Pool situated in Roosevelt and Chaves Counties New Mexico, and in support thereof respectfully shows:

1. That applicant is the owner of an oil and gas lease covering 37 $\frac{1}{2}$ % of all the oil, gas and other minerals in and under and that may be produced from the NW $\frac{1}{4}$ NW $\frac{1}{4}$ Section 11, Township 8 South, Range 33 East, N.M.P.M.; that Getty Oil Company is the owner of an undivided 50% in and to all of the oil, gas and other minerals in and under and that may be produced from said land and has agreed to enter into an operating agreement with applicant for the operation and development of said land and to designate applicant as operator for the purpose of drilling a well to be located 330 feet from the North line and 660 feet from the West line of said NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 11, to a depth of approximately 4400 feet to the producing horizon in the Chaveroo - San Andres Pool.

2. That Walter B. Holton, whose address is Box 618, Midland, Texas, is the record title owner of a certain oil and gas lease covering an undivided 12 $\frac{1}{2}$ % mineral interest in and to said NW $\frac{1}{4}$ NW $\frac{1}{4}$ Section 11,

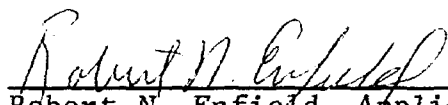
and although applicant has requested said Walter B. Holton to join in the drilling of said well, he has thus far refused to do so.

3. That applicant believes that the drilling of such well is necessary for the orderly development of the Chaveroo - San Andres Pool and to afford the owners of said land the opportunity to recover their just and fair share of the oil and gas from said pool, and that the pooling of said interests will avoid the drilling of unnecessary wells and is necessary to protect correlative rights and to prevent waste.

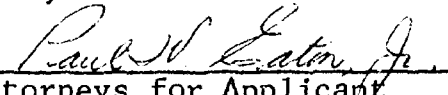
4. That applicant desires that the said Walter B. Holton be afforded a reasonable opportunity to participate in the cost of said well, failing in which the order pooling said 40 acre legal subdivision provide that the pro rata cost of drilling, completing and operating said well which would normally be borne by said Walter B. Holton be paid for solely out of production to the parties advancing the costs of development and operation and that allowance be made for reasonable charges for supervision, as well as a charge for the risk involved in the drilling of said well as permitted by law.

5. That this matter be heard at the first examiner's hearing in January 1967.

Respectfully submitted,


Robert N. Enfield, Applicant

HINKLE, BONDURANT & CHRISTY

By 
Attorneys for Applicant
Box 10
Roswell, New Mexico

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO

LEGAL DIVISION

PHONE 827 2741

February 16, 1967

C
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Mr. Walter B. Holton
P. O. Box 618
Midland, Texas 79701

Re: Case No. 3519
Order No. R-3189

Dear Mr. Holton:

The Commission will be pleased to discuss the above mentioned case with you at anytime you so desire. However, Order No. R-3189 that issued cannot be modified or rescinded without a formal hearing as set forth in the Commission Rules and Regulations and New Mexico Statutes.

For your convenience, I am enclosing copies of the applicable Commission Rules and Regulations and the applicable New Mexico Statutes.

There is a transcript of the testimony in the Commission office that is available for use in the Commission office. If you desire a transcript for your use in Midland, you can contact Miss Ada Dearnley, Dearnley-Meier Reporting Service, Inc., Suite 1120-Simms Building, P. O. Box 1092, Albuquerque, New Mexico.

Very truly yours,

GEORGE M. HATCH
Attorney

GME/esr
Enclosures

Walter B. Holton

P. O. Box 618
Midland, Texas 79701

February 14, 1967

Mr. A.L. Porter, Jr.
New Mexico Oil Conservation Commission
P.O. Box 2088
Santa Fe, New Mexico 87501

RE: CASE NO. 3519
ORDER NO. R-3189 (Dated 2-1-67)

Dear Mr. Porter:

My physician has now released me for travel, and I can come to Santa Fe to discuss the captioned case if that is necessary.

The thing that puzzles me is the fact that during the hearing Sunray DX Oil Company was having no success in completing the West offset as an oil well, and the commission still deemed it prudent to grant the request for forced pooling. After a series of about five squeeze operations the operator still reports no success on this date. In view of these facts, I am at a loss to see why a prudent operator would drill at the location Mr. Enfield proposes, and why the Commission would issue the forced pooling order. I wonder if it would be possible for you to furnish me with a transcript of the testimony which was presented at the hearing.

I do not wish to cause you any inconvenience, and above all I do not wish to give you the impression that I am a "sorehead". The purpose of this letter is to seek information which I missed when I was unable to attend the hearing. The American Trading & Production Corporation people tell me that the contract has been let for their well in the Northwest Corner of NE $\frac{1}{4}$ of Section 11. Therefore, we will be in a much better position to evaluate Mr. Enfield's proposed location when said well reaches total depth.

You and your fellow employees of the Commission have been most courteous to me in connection with this matter, and I hereby thank you very much.

Yours very truly,

Walter B. Holton

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO

LEGAL DIVISION
PHONE 827-2741

February 13, 1967

C

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Mr. Robert N. Enfield
P. O. Box 807
Roswell, New Mexico 88201

Re: Order No. R-3189
Force Pooling all Mineral Interests in
the Chaveroo-San Andres Pool underlying
the NW/4 NW/4 of Section 11, Township 8
South, Range 33 East, NMPM, Chaves
County, New Mexico

Dear Mr. Enfield:

As there was some objection made to your application for the above-mentioned pooling, the Commission suggests that if you wish to change the location of the well mentioned in Order No. R-3189 you either present waivers from the pooled interests to the Commission or apply for a hearing to amend the order only as to the location of the well.

Very truly yours,

GEORGE M. HATCH
Attorney

GMH/esr

Permian Basin OIL & GAS LOG

THE MIDLAND REPORTER-TELEGRAM, FRIDAY, JAN. 20, 1967-7

WELD OVER FOR ANOTHER BIG WEEK!

(Continued From Page 1)
of water from perforations at 2,940-45 feet. Yield was gauged through a 12-64-inch choke and surface pressure was 200 pounds. The horizon was fractured with 7,500 gallons.

No. 1-C Randolph originally was planned as a 4,500-foot Cherry Canyon prospector and drilled to total depth of 4,510 feet. At 3,040 feet, 7-inch casing was set and the project plugged back to 3,010 feet for the Delaware completion.

Location is 660 feet from south and 1,900 feet from east lines of section 46, block 57, T-2, T&P survey.

Producer Finished In Fisher Sector

Three J Oil Co. and Fischer and Sandefer of Abilene (formerly J. D. Sandefer III) No. 1 Mattie Key has been finished as the seventh reef producer in the Shamrock (Canyon reef) pool of Fisher County.

Daily flowing rate was 155 barrels of 43-gravity oil with gas - oil ratio of 900-1. The crude came through a 12-64-inch choke and from perforations at 5,280-87 feet which were washed with 500 gallons of mud acid and injected with 1,000 gallons of acid.

Well site is 1,840 feet from north and 467 feet from west lines of section 9, block 2, H&TC survey, three miles northwest of Royston, 1,650 feet northeast of production.

Location Spotted For Kent Region

Lobo Oil Co. of Fort Worth has scheduled No. 4 W. Connell as a 7,600 - foot test in the Polar, East (Pennsylvanian) area of Kent County.

Drill site is 1,650 feet from south and 500 feet from west lines of section 3, block 5, H&GN survey, 15 miles southwest of Clairemont.

Scurry Pool Gets Site For Stepout

Lloyd H. Smith of Houston has staked No. 1-C Clara Mae Johnson as an outpost for the Tonto, Northeast (Cisco) pool of Scurry County.

Located eight miles north of Snyder, the project spots 1,980 feet from south and west lines of section 266, block 2, H&TC survey. Scheduled depth is 5,500 feet.

Sunray Schedules Chaves Operation

Sunray DX Oil Co. of Midland No. 1-X New Mexico - Federal has been staked as an undesignated San Andres test, 18 miles northeast of Caprock in Chaves County, N.M.

Drill site is 660 feet from north and east lines of section 10-8s-33e. Contract depth is 4,500 feet.

Walter B. Holton

P. O. Box 618
Midland, Texas 79701

January 22, 1967

New Mexico Oil Conservation Commission
P.O. Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. A.L. Porter, Jr.

RE: DOCKET NO. 3-67

CASE 3519

ROBERT N. ENFIELD'S APPLICATION FOR COMPULSORY
POOLING OF ALL MINERAL INTERESTS IN NW $\frac{1}{4}$ OF NW $\frac{1}{4}$
SECTION 11, TOWNSHIP 8 SOUTH, RANGE 33 EAST,
CHAVES COUNTY, NEW MEXICO

Gentlemen:

The hearing in connection with captioned case is set for
9:00 A.M. Wednesday, January 25, 1967, before Elvis A.
Utz, Examiner, or Daniel S. Nutter, Alternate Examiner.

I will be unable to attend said hearing, and hereby
respectfully request that this letter be accepted in
lieu of my personal appearance.

I am opposed to the proposal of Mr. Enfield to drill a
well at this time. Sunray DX Oil Company is presently
drilling its #1-X New Mexico Federal well, located 660'
ENL and 660' FEL of Section 10, direct West offset to
the location Mr. Enfield proposes to force-pool. Also,
American Trading & Production Company has staked a
location 330 feet out of the Northwest Corner of NE $\frac{1}{4}$ of
Section 11, just one location removed from being a
direct East offset to Mr. Enfield's proposed 40 acre
forced-pooling location.

The Kerr-McGee wells in S $\frac{1}{2}$ of SW $\frac{1}{4}$ of Section 2 are
located 990 feet from the North line of Section 11, and
my engineering consultant is of the opinion that they
are not draining NW $\frac{1}{4}$ of NW $\frac{1}{4}$ of Section 11. He and I
both feel that a prudent operator would wait until the
Sunray DX well is drilled before making a decision as
to whether or not NW $\frac{1}{4}$ of NW $\frac{1}{4}$ Section 11 should be
drilled. We would look rather silly if we rigged up
and drilled a dry hole simultaneously with Sunray DX
and/or American Trading & Production Company.

In view of the facts mentioned hereinabove, I see no reason to believe that failure to drill Mr. Enfield's proposed location at this time will delay the orderly development of the Chaveroo-San Andres Pool, cause waste, or damage anyone's correlative rights. The Sunray DX well will give us invaluable data on which to base our decision as to whether we should, or should not, drill in NW $\frac{1}{4}$ of NW $\frac{1}{4}$ Section 11. Therefore, I hereby respectfully request that Mr. Enfield's forced-pooling proposal be denied at least for the present. I doubt very much that we will have any disagreement as to whether or not we should drill in NW $\frac{1}{4}$ of NW $\frac{1}{4}$ Section 11 as soon as we have seen what the Sunray DX well turns out to be.

Yours very truly,

Walter B. Holton

Walter B. Holton

GOVERNOR
DAVID F. CARGO
CHAIRMAN

State of New Mexico
Oil Conservation Commission



LAND COMMISSIONER
GUYTON B. HAYS
MEMBER

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

P. O. BOX 2088
SANTA FE

February 1, 1967

Mr. Paul W. Eaton, Jr.
Hinkle, Bondurant & Christy
Attorneys at Law
Post Office Box 10
Roswell, New Mexico

Re: Case No. 3519
Order No. R-3189
Applicant:
Robert N. Enfield

Dear Sir:

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

Very truly yours,


A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Carbon copy of order also sent to:

Hobbs OCC x

Artesia OCC x

Aztec OCC

Other Getty Oil Company and Walter B. Holton

Case 3519
Heard 1-25-67
Res. 1-30-67

1. Force pool the interests in
the NW/4 sec. 10-85-38E as requested
by Robt. V. Enfield.

Letty oil. 50%

Enfield - 37½%

Walter B. Holton. 12½%

Grant 125% of prorated share of
well cost out of production or
option of paying in cash the prorated
share of Holton (12.5). This is a
development well in Chaneros oil pool.
Grant. 125%. Mo. as reasonable
operating costs.

Thos A. McF.

Walter B. Holton

P. O. Box 618

Midland, Texas 79701

December 28, 1966

Jan 25/67

Mr. Robert N. Enfield
P.O. Box 807
Roswell, New Mexico 88201

RE: NW $\frac{1}{4}$ OF SECTION 11, TOWNSHIP 8 SOUTH, RANGE
33 EAST, CHAVES COUNTY, NEW MEXICO

Dear Mr. Enfield:

I am in receipt of copies of your application to the New Mexico Oil Conservation Commission and a letter from Hinkle, Bondurant & Christy dated December 20, 1966, addressed to said Commission, concerning the proposal to force pool my leasehold interest in captioned tract.

At this time I am not in a position to join in the drilling and completion of the proposed test well. However, I would not want to prevent the orderly development of the Chaveroo-San Andres Pool, or cause the loss of your correlative rights and/or waste in the State of New Mexico, and would therefore be willing to sell my interest in your proposed location or my interest in the entire NW $\frac{1}{4}$ of Section 11, on a fair and equitable basis. If you or the other working interest owners would be interested in this proposal, I would be happy to give prompt consideration to any bonafide written offer you care to make, in line with the value of the interest involved. In this way it is hoped that this matter can be concluded without the necessity of the hearing you have requested with the New Mexico Oil Conservation Commission.

You have previously advised that your title examination indicates that my title is questionable. Naturally this has caused me some concern and it will be greatly appreciated if you will lend me the abstracts so that my attorney can resolve this

Ind. Rock

DOCKET MAILED

Date 1-12-67

question and cure the title, if necessary, before
any deal is closed.

Yours very truly,

Walter B. Holton
Walter B. Holton

- cc: New Mexico Oil Conservation Commission
P.O. Box 2088
Santa Fe, New Mexico
Attention: Mr. A.L. Porter, Jr.
- cc: Hinkle, Bondurant & Christy
P.O. Box 10
Roswell, New Mexico 88201
Attention: Mr. Paul W. Eaton, Jr.
- cc: Getty Oil Company
c/o Tidewater Oil Company
Vaughn Building
Midland, Texas 79701
Attention: Mr. James B. Davis

Docket No. 3-67

DOCKET: EXAMINER HEARING - WEDNESDAY - JANUARY 25, 1967

9 A. M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

The following cases will be heard before Elvis A. Utz, Examiner, or
Daniel S. Nutter, Alternate Examiner:

CASE 3516: Application of Texas Pacific Oil Company for several non-standard gas proration units, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the rededication of certain acreage and the establishment of the following non-standard gas proration units in Township 23 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico:

A 200-acre non-standard unit comprising the SE/4 of Section 20 and the NW/4 SW/4 of Section 21, dedicated to its State "A" A/c-1 Well No. 2 located 2260 feet from the South line and 330 feet from the West line of said Section 21;

A 160-acre non-standard unit comprising the E/2 SW/4, SW/4 SW/4, and SW/4 SE/4 of Section 21 dedicated to its State "A" A/c-1 Well No. 8 located 660 feet from the South line and 1980 feet from the East line of said Section 21;


A 160-acre non-standard unit comprising the SW/4 of Section 4, dedicated to its State "A" A/c-1 Well No. 18 located 660 feet from the South and West lines of said Section 4;

An 80-acre non-standard unit comprising the S/2 NW/4 of Section 4 dedicated to its State "A" A/c-1 Well No. 15 located 1980 feet from the North and West lines of said Section 4;

A 120-acre non-standard unit comprising the N/2 NW/4 and NW/4 NE/4 of Section 4, dedicated to its State "A" A/c-1 Well No. 23 located 660 feet from the North line and 2310 feet from the East line of said Section 4;

A 160-acre non-standard unit comprising the W/2 SW/4, SE/4 SW/4, and SW/4 SE/4 of Section 9 dedicated to its State "A" A/c-1 Well No. 12 located 660 feet from the South line and 1980 feet from the East line of said Section 9.

CASE 3517: Application of Pan American Petroleum Corporation for a vapor recovery system, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to install, at its central tank battery for the Navajo Tribal P, N, and U Leases in the Tocito-Dome Pennsylvanian "D" Pool, San Juan County, New Mexico, a vapor recovery system including facilities for extracting the liquids from said vapor, with a provision that said liquids would not be chargeable to the oil allowable for said leases.

- CASE 3518: Application of Pan American Petroleum Corporation for an unorthodox location and possible directional drilling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the Tociito Dome-Pennsylvanian "D" Pool rules as promulgated by Order No. R-2758 to permit the drilling of its Navajo Tribal "N" Well No. 9 at an unorthodox location 600 feet from the North line and 1200 feet from the West line of Section 20, Township 26 North, Range 18 West, Tociito Dome-Pennsylvanian "D" Pool, San Juan County, New Mexico. Applicant further seeks authorization, if the Pennsylvanian "D" producing section is found above the gas-oil contact or below the oil-water contact, to intentionally deviate said well in such direction and to such extent as necessary to obtain a commercial well, provided that said well would not be bottomed any nearer than 100 feet to the outer boundary of the 160-acre proration unit.
-  CASE 3519: Application of Robert N. Enfield for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order force-pooling all mineral interests in the Chaveroo-San Andres Pool underlying the NW/4 NW/4 of Section 11, Township 8 South, Range 33 East, Chaves County, New Mexico.
- CASE 3520: Application of Southern Natural Gas Company for the creation of a new pool and for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new pool for Wolfcamp production for its State "C" Well No. 1 located in Unit C of Section 11, Township 11 South, Range 33 East, Lea County, New Mexico, and for the promulgation of special rules therefor, including a provision for 80-acre proration units.
- CASE 3521: Application of Sinclair Oil & Gas Company for three waterflood projects, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute three waterflood projects in the Grayburg-Jackson Pool by the injection of water into the Grayburg-San Andres formations through two wells on its Russell Lease, eight wells on its Turner "A" lease, and nine wells on its Turner "B" lease in Sections 17, 18, 19 and 20, Township 17 South, Range 31 East, Eddy County, New Mexico.
- CASE 3522: Application of Texaco Inc. for suspension of cancellation of underproduction and extension of deliverability test deadline, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order suspending the scheduled cancellation of the underproduction attributable on July 31, 1966, to its H. J. Loe Federal B Wells Nos. 2 and 3, located in Section 23, Township 29 North, Range 12 West, Basin-Dakota Gas Pool, San Juan County, New Mexico, said underproduction not having been made-up during the 6 months period ending January 31, 1967, due to said wells having been shut-in November 10, 1966,

Docket No. 3-67

-3-

(Case 3522 continued)

upon the transfer of the connecting pipeline from an intra-state status to an interstate status and delay in obtaining FPC approval for the sale of gas from said wells in interstate commerce. Applicant further seeks an extension of time in which to conduct the 1966 deliverability test of the Loe Well No. 3 until after FPC approval for gas sales has been received, and the well restored to production.

AGREEMENT made and Entered into this 20th day of September, 1937,
between C. H. Hale and Alice Jewel Hale (wife)
129 Centre Hereford, Texas

hereinafter called lessor (whether
one or more), and David F. Jones--100, West Summit St. Roswell (Chaves County)
New Mexico

hereinafter called lessee, does witness:

1. That lessor, for and in consideration of the sum of Ten & other valuable considerations, \$ 10.00,
in hand paid, and of the covenants and agreements hereinafter contained to be performed by the lessee, has this day granted and leased and hereby grants,
leases and lets exclusively unto the lessee for the purpose of exploring, drilling, mining and operating for and producing oil and gas, casinghead gas and cas-
inghead gasoline, laying pipe lines, building tanks, storing oil, building power stations, telephone lines and other structures thereon to produce, save, take
care of and manufacture all of such substances, and for housing and boarding employees, the following described tract of land in:

Chaves

New Mexico

County

to-wit:

One-half (½) interest under the N.E. ¼ & a ¼ interest (one-fourth)

interest under the N. W. ¼ of Section eleven (11), Township

8 South, Range 33 East, Chaves County, New Mexico

in Section 11, Township 8 So., Range 33 East, and containing ~120- acres, more or less.

2. This lease shall remain in force for a term of ten (10) years and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of them
is produced.

3. The lessee shall deliver to the credit of the lessor as royalty, free of cost, in the pipe line to which lessee may connect its wells the equal one-eighth
part of all oil produced and saved from the leased premises, or at the lessee's option, may pay to the lessor for such one-eighth royalty the market price for
oil of like grade and gravity prevailing on the day such oil is run into the pipe line, or into storage tanks, lessor's interest, in either case, to bear one-
eighth of the cost of treating oil to render it marketable pipe line oil.

4. The lessee shall pay lessor, as royalty, one-eighth of the proceeds from the sale of the gas, as such, for gas from wells where gas only is found, and
where not sold shall pay Fifty (\$50.00) Dollars per annum as royalty from each such well, and while such royalty is so paid such well shall be held to be a
producing well under paragraph numbered two hereof. The lessor to have gas free of charge from any gas well on the leased premises for stoves and inside
lights in the principal dwelling house on said land by making his own connections with the well, the use of said gas to be at the lessor's sole risk and ex-
pense. The lessee shall pay to lessor for gas produced from any oil well and used by the lessee for the manufacture of gasoline or any other product, as roy-
alty, one-eighth of the market value of such gas at the mouth of the well. If said gas is sold by the lessee, then as royalty one-eighth of the proceeds of
the sale thereof.

5. If operations for the drilling of a well for oil or gas are not commenced on said land on or before one year from this date, this lease shall terminate
as to both parties, unless the lessee shall, on or before one year from this date, pay or tender to the lessor or for the lessor's credit in the

~~XXXXXXXXXXXX~~ Hereford State

~~XXXXXXXXXXXX~~ Hereford, Texas

Bank at

its successors, which bank and its successors are the lessor's agent and shall continue as the depository of any and all sums payable under this lease, re-

gardless of changes of ownership in said land or in the oil and gas, or in the rentals to accrue thereunder, the sum of

One Hundred Twenty & No/100----- Dollars (\$ 120.00) which shall operate as

rental and cover the privilege of deferring the commencement of drilling operations for a period of one year. In like manner and upon like payments or
tenders, the commencement of drilling operations may be further deferred for like periods successively. All payments or tenders may be made by check or
draft of lessee or any assignee thereof, mailed or delivered on or before the rental paying date. Notwithstanding the death of the lessor, or his successor
in interest, the payment or tender of rentals in the manner provided above shall be binding on the heirs, devisees, executors, and administrators of such person.

6. If at any time prior to the discovery of oil or gas on this land and during the term of this lease, the lessee shall drill a dry hole, or holes, on this land,
this lease shall not terminate, provided operations for the drilling of a well shall be commenced within twelve months from the expiration of the last rental period
for which rental has been paid, or provided that within said period the lessee begins or resumes the payment of rentals in the manner and amount herein above
provided; and in this event the preceding paragraphs hereof governing the payment of rentals and the manner and effect thereof shall continue in force.

7. In case 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 for shall be paid the said lessor only in the proportion which his interest bears to the whole and undivided fee.

8. The lessee shall have the right to use free of cost, gas, oil and water found on said land for its operations thereon, except water from the wells of the
lessor. When required by lessor, the lessee shall bury pipe lines below plow depth and shall pay for damages caused by its operations to growing crops on
said land. No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of the lessor. Lessee shall have the
right at any time during or after the expiration of this lease to remove all machinery, fixtures, houses, buildings and other structures placed on said premises,
including the right to draw and remove all casing.

9. 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 the heirs, executors, administrators, successors and assigns, but no change of ownership in the land or in the rentals or royalties shall be binding
on the lessee until after notice to the lessee and it has been furnished with the written transfer or assignment or a certified copy thereof, nor shall any such
change of ownership in any manner increase the obligations or diminish the rights of lessee hereunder. In the event this lease shall be assigned as to a
part or as to parts of the above described lands, and the holder or owner of any such part or parts shall fail or make default in the payment of the
proportionate part of the rent due from him or them, such default shall not operate to defeat or affect this lease in so far as it covers a part or parts
of said land upon which the said lessee or any assignee hereof shall make due payment of said rentals. If at any time there be as many as four
parties entitled to rentals or royalties, lessee may withhold payments thereof unless and until all parties designate, in writing, in a recordable instru-
ment to be filed with the lessee, a common agent to receive all payments due hereunder, and to execute division and transfer orders on behalf of said parties,
and their respective successors in title.

10. Lessor hereby warrants and agrees to defend the title to the land herein described and agrees that the lessee, at its option, may pay and discharge
any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands and, in event it exercises such option, it shall be
subrogated to the rights of any holder or holders thereof and may reimburse itself by applying to the discharge of any such mortgage, tax or other lien, any
royalty or rentals accruing hereunder.

11. Notwithstanding anything in this lease contained to the contrary it is expressly agreed that if lessee shall commence drilling operations at any time
while this lease is in force, this lease shall remain in force and its terms shall continue so long as such operations are prosecuted and, if production results
therefrom, then as long as production continues.

12. If within the primary term of this lease production on the leased premises shall cease from any cause, this lease shall not terminate provided opera-
tions for the drilling of a well shall be commenced before or on the next ensuing rental paying date; or, provided lessee begins or resumes the payment of
rentals in the manner and amount hereinafter provided. If, after the expiration of the primary term of this lease, production on the leased premises shall
cease from any cause, this lease shall not terminate provided lessee resumes operations for drilling a well within sixty (60) days from such cessation, and this
lease shall remain in force during the prosecution of such operations and, if production results therefrom, then as long as production continues.

13. Lessee may at any time and from time to time surrender this lease as to any part or parts of the leased premises by delivering or mailing a release
thereof to the lessor, or by placing a release thereof of record in the proper county.

14. This lease and all its terms, conditions, and stipulations shall extend to and be binding on all successors of said lessor or lessee.

15. This lease shall not be terminated, in whole or in part, nor shall lessee be held liable in damages, for failure to comply with the express or im-
plied covenants hereof, if compliance therewith is prevented by, or if such failure is the result of, any Federal or State laws, executive orders, rules, or
regulations, acts of God, labor troubles, scarcity of materials, or other causes beyond lessee's control. If, at the end of the primary term hereof, such term
has not been extended by production or drilling as in this lease provided, and lessee, by reason of any of the above recited causes, is unable to drill a well on
the leased premises for oil or gas, the primary term and the rental provision hereof shall be extended automatically from year to year until the first anni-
versary hereof occurring ninety (90) or more days following the removal of such delaying cause. During any period that lessee is unable to produce and/or
market any products from the leased premises by reason of any of the above recited causes, this lease shall remain in full force and effect.

IN WITNESS WHEREOF, We sign the day and year first above written.

BEFORE EXAMINER UTZ

OIL CONSERVATION COMMISSION

EXHIBIT NO. 1

CASE NO. 3519

X

X

STATE OF NEW MEXICO,

County of _____

ss.

(ACKNOWLEDGMENT FOR INDIVIDUAL)

On this _____ day of _____, 19____, before me personally appeared _____

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

Witness my hand and official seal the day and year last above written.

Notary Public

My commission expires _____

Postoffice _____

STATE OF NEW MEXICO,

County of _____

ss.

(ACKNOWLEDGMENT FOR CORPORATION)

On this _____ day of _____, 19____, before me personally appeared _____

to me personally known, who being by me duly sworn did say that he is the _____ President of _____ and that the seal affixed to said instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said _____ acknowledged said instrument to be the free act and deed of said corporation.

Witness my hand and official seal the day and year last above written.

Notary Public

My commission expires _____

STATE OF TEXAS,

County of _____

(TEXAS SINGLE ACKNOWLEDGMENT)

Before me, the undersigned authority, a Notary Public in and for said County and State, on this day personally appeared _____

known to me to be the person _____ whose name _____ subscribed to the foregoing instrument, and acknowledged to me that _____ he _____ executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office, this the _____ day of _____, A. D. 19____

Notary Public in and for _____ County, Texas

Standard of Prices
No. _____
Oil and Gas Lease

FROM

C. H. Hale, et ux

TO

David F. Jones

Date

19____

Section _____ Twp. _____ Rge. _____

No. of Acres _____

Term _____

County _____

STATE OF NM

County of Chaves

ss.

This instrument was filed for record on the 23rd day of September 1957 at 3:15 o'clock P. M., and duly recorded in Book 63 Page 403 of the records of this office.

Dorothy Herring
Register of Deeds.

By _____ Deputy

When recorded, return to _____

Rec-# 59411-B Fee: \$2.50

Form 313
Printed and for Sale by
Hall-Poorbaugh Press-Roswell, N. M.

THE STATE OF TEXAS,

County of _____

(TEXAS JOINT ACKNOWLEDGMENT)

Before me, the undersigned, a Notary Public in and for said County and State, on this day personally appeared *C. H. Hale*

known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same for the purposes and consideration therein expressed.

And the said wife, having been examined by me privately and apart from her husband, and having had said instrument fully explained to her, she, the said wife, acknowledged the same to be her act and deed, and declared that she had willingly signed the same for the purposes and consideration therein expressed, and that she did not wish to retract it.

Given under my hand and seal of office, this the _____ day of _____, A. D. 19____

Notary Public in and for _____ County, Texas

Assignment of Oil and Gas Lease

WHEREAS, On the 20th day of September, 1927, a certain oil and gas mining lease was made and entered into by and between C. H. Hale and wife, Alice Jewel Hale

..... Lessor
and David E. Jones

..... Lessee
covering the following described land in the County of Chaves and State of New Mexico, to-wit:

T-8S R-33E NMPM

Sec. 11: NE/4

Sec. 11: NW/4

BEFORE EXAMINER UTZ

OIL CONSERVATION COMMISSION

EXHIBIT NO. 2

LEASE NO. 3519

said lease being recorded in the office of the County Clerk and ex-officio Recorder in and for said County, in Book.....
Page..... of Oil and Gas Records

AND WHEREAS, The said lease and all rights thereunder or incident thereto are now owned by.....

David E. Jones and wife, Mary W. Jones

NOW THEREFORE, For and in consideration of One Dollar (and other good and valuable consideration), the receipt of which hereby acknowledged, the undersigned, the present owner S of the said lease and all rights thereunder or incident thereto, do hereby bargain, sell, transfer, and convey all rights, title and interest of the original lessee and present owner S in and to said lease and rights thereunder insofar as it covers.....

T-8S R-33E NMPM

Sec. 11: NE/4

Sec. 11: NW/4

unto Robert N. Enfield

and his heirs, and successors and assigns.

And for the same consideration, the undersigned for Themselves and their heirs, successors and representatives, do..... covenant with the said assignee his heirs, successors or assigns that they are the lawful owner S of the said lease and rights and interest thereunder, that the undersigned have..... good right and authority to sell and convey the same, and that said lease, rights and interests thereunder are free and clear from all liens and encumbrances, and that all rentals and royalties due and payable thereunder have been duly paid. And the undersigned will warrant and defend the same against the lawful claims and demands of all persons whomsoever.

IN WITNESS WHEREOF, The undersigned owner S and assignor S have..... signed and sealed this instrument this 21st day of September, A. D., 1927

(SEAL)

(SEAL)

(SEAL)

STATE OF NEW MEXICO,

County of Chaves

ss.

On this 23rd day of September, 1957, before me personally appeared

David P. Jones and Mary W. Jones

to me known to be the person 2 described in and who executed the foregoing instrument, and acknowledged that they
executed the same as their free act and deed.

Witness my hand and official seal the day and year last above written.

My Commission expires October 1, 1960

Notary Public

ACKNOWLEDGMENT OF CORPORATION

STATE OF NEW MEXICO,

County of _____

ss.

On this _____ day of _____, 19____, before me personally appeared

to me personally known, who, being by me duly sworn, did say that he is the _____ president of _____

and that the seal affixed to said instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors and said _____ acknowledged said instrument to be the free act and deed of said corporation.

Witness my hand and official seal the day and year last above written.

My Commission expires _____

Notary Public

Return to

American Trading & Production Corp.
Drawer 9924, Midland, Texas

Assignment of Oil and Gas Lease

David F. Jones, et ux

TO

Robert N. Enfield

STATE OF NEW MEXICO,

County of Chaves

ss.

I hereby certify that this instrument was filed for record on the 23rd day of October, A.D., 1957, at 9:20 o'clock A M., and was duly recorded in Book 33 Page 243 of the _____ records, _____ of said county.

Dorothy Herring

County Clerk

By _____, Deputy

Rec. No. 59901 B Fees \$ 2.50

Compared _____ to _____

Indexed _____

Form 100

Printed and For Sale by
Hall-Poorbaugh Press, Roswell, N. M.

OIL & GAS LEASE

THIS AGREEMENT made this 28 day of July, 1966, between
W. RUSSELL JONES, aka Russell Jones, a widower
and his wife CORA C. JONES

of St. Frances, Kansas

(Post Office Address)

herein called lessor (whether one or more) and G. Dee Williamson, Box 2206, Roswell, New Mexico, lessee:

1. Lessor, in consideration of TEN AND OTHER DOLLARS in hand paid, receipt of which is here acknowledged, and of the royalties herein provided and of the agreements of the lessee herein contained, hereby grants, leases and lets exclusively unto lessee for the purpose of investigating, exploring, prospecting, drilling, and operating for and producing oil and gas, injecting gas, water, other fluids, and air into subsurface strata, laying pipe lines, storing oil, building tanks, roadways, telephone lines, and other structures and things thereon to produce, save, take care of, treat, process, store and transport said minerals, the

following described land in Chaves County, New Mexico, to-wit:

Township 8 South, Range 33 East, N.M.P.M.
Section 11: NW 1/4

For the purpose of calculating the rental payments hereinafter provided for, said land is estimated to comprise 160 acres, whether it actually comprises more or less.

2. Subject to the other provisions herein contained, this lease shall remain in force for a term of five (5) years from this date (called "primary term"), and as long thereafter as oil or gas, is produced from said land or land with which said land is pooled.

3. The royalties to be paid by lessee are: (a) on oil, and on other liquid hydrocarbons saved at the well, one-eighth of that produced and saved from said land, same to be delivered at the well or to the credit of lessor in the pipe line to which the wells may be connected; (b) on gas, including casinghead gas and all gasous substances, produced from said land and sold or used off the premises or in the manufacture of gasoline or other product therefrom, the market value at the month of the well of one-eighth of the gas so sold or used, provided that on gas sold at the well the royalty shall be one-eighth of the amount realized from such sale; (c) and at any time when this lease is not validated by other provisions hereof and there is a gas and/or condensate well on said land, or land pooled therewith, but gas and/or condensate is not being so sold or used, and such well is shut in, either before or after production therefrom, then on or before 90 days after said well is shut in, and thereafter at annual intervals, lessee may pay or tender an advance annual shut-in royalty equal to the amount of delay rentals provided for in this lease for the acreage then held under this lease by the party making such payment or tender, and so long as said shut-in royalty is paid or tendered this lease shall not terminate and it will be considered under all clauses hereof that gas is being produced from the leased premises in paying quantities. Each such payment shall be paid or tendered to the party or parties who at the time of such payment would be entitled to receive the royalties which would be paid under this lease if the well were in fact producing, or be paid or tendered to the credit of such party or parties in the depository bank and in the manner hereinafter provided for the payment of rentals.

4. If operations for drilling are not commenced on said land or on land pooled therewith on or before one (1) year from this date, this lease shall terminate

as to both parties, unless on or before one (1) year from this date lessee shall pay or tender to the lessor a rental of \$ 160.00 which shall cover the privilege of deferring commencement of such operations for a period of twelve (12) months. In the manner and upon like payments or tenders, annually, the commencement of said operations may be further deferred for successive periods of twelve (12) months each during the primary term. Payment

or tender may be made to the lessor or to the credit of the lessor in the THE CITIZENS STATE BANK Bank

at ST. FRANCIS, KANSAS, which bank, or any successor thereof, shall continue to be the agent for the lessor and lessor's heirs and assigns. If such bank (or any successor bank) shall fail, liquidate, or be succeeded by another bank, or for any reason shall fail or refuse to accept rental, lessee shall not be held in default until thirty (30) days after lessor shall deliver to lessee a recordable instrument making provision for another acceptable method of payment or tender, and any depository change is a liability of the lessor. The payment or tender of rental may be made by check or draft of lessee, mailed or delivered to said bank or lessor, or any lessor if more than one, on or before the rental paying date. Any timely payment or tender of rental or shut-in royalty when made in a bona fide attempt to make proper payment, but which is erroneous in whole or in part as to parties, amounts, or depositories shall nevertheless be sufficient to prevent termination of this lease in the same manner as though a proper payment had been made; provided, however, lessee shall correct such error within thirty (30) days after lessee has received written notice thereof by certified mail from lessor together with such instruments as are necessary to enable lessee to make proper payment.

5. Lessee is hereby granted the right and power, from time to time, to pool or combine this lease, the land covered by it or any part or horizon thereof with any other land, lease, leases, mineral estates or parts thereof for the production of oil or gas. Units pooled hereunder shall not exceed the standard production unit fixed by law or by the New Mexico Oil Conservation Commission or by other lawful authority for the pool or area in which said land is situated, plus a tolerance of 10%. Lessee shall file written unit designations in the county in which the premises are located and such units may be designated from time to time and either before or after the completion of wells. Drilling operations on or production from any part of any such unit shall be considered for all purposes, except the payment of royalty, as operations conducted upon or production from the land described in this lease. There shall be allocated to the land covered by this lease included in any such unit that portion of the total production of pooled minerals from wells in the unit, after deducting any used in lease or unit operations, which the number of surface acres in the land covered by this lease included in the unit bears to the total number of surface acres in the unit. The production so allocated shall be considered for all purposes, including the payment or delivery of royalty, to be the entire production of pooled minerals from the portion of said land covered hereby and included in said unit in the same manner as though produced from said land under the terms of this lease. Any pooled unit designated by lessee, as provided herein, may be dissolved by lessee by recording an appropriate instrument in the County where the land is situated at any time after the completion of a dry hole or the cessation of production on said unit.

6. If prior to the discovery of oil or gas hereunder, lessee should drill and abandon a dry hole or holes hereunder, or if after discovery of oil or gas the production thereof should cease for any cause, this lease shall not terminate if lessee commences reworking or additional drilling operations within 60 days thereafter and diligently prosecutes the same, or (if it be within the primary term) commences or resumes the payment or tender of rentals or commences operations for drilling or reworking on or before the rental paying date next ensuing after the expiration of three months from date of abandonment of said dry hole or holes or the cessation of production. If at the expiration of the primary term oil or gas is not being produced but lessee is then engaged in operations for drilling or reworking of any well, this lease shall remain in force so long as such operations are diligently prosecuted with no cessation of more than 60 consecutive days. If during the drilling or reworking of any well under this paragraph lessee loses or junks the hole or well and after diligent efforts in good faith is unable to complete said operations then within 30 days after the abandonment of said operations lessee may commence another well and drill the same with due diligence. If any drilling, additional drilling, or reworking operations hereunder result in production, then this lease shall remain in full force so long thereafter as oil or gas is produced hereunder.

7. Lessee shall have free use of oil, gas and water from said land, except water from lessor's wells and tanks, for all operations hereunder, and the royalty shall be computed after deducting any so used. Lessee shall have the right at any time during or after the expiration of this lease to remove all property and fixtures placed by lessee on said land, including the right to draw and remove all casing. When required by lessor, lessee will bury all pipe lines on cultivated lands below ordinary plow depth, and no well shall be drilled within two hundred feet (200 ft.) of any residence or barn now on said land without lessor's consent. Lessor shall have the privilege, at his risk and expense, of using gas from any gas well on said land for stoves and inside lights in the principal dwelling thereon, out of any surplus gas not needed for operations hereunder.

8. The rights of either party hereunder may be assigned in whole or in part and the provisions hereof shall extend to the heirs, executors, administrators, successors and assigns; but no change or division in the ownership of the land, or in the ownership of or right to receive rentals, royalties or payments, however accomplished shall operate to enlarge the obligations or diminish the rights of lessee; and no such change or division shall be binding upon lessee for any purpose until 30 days after lessee has been furnished by certified mail at lessee's principal place of business with acceptable instruments or certified copies thereof constituting the chain of title from the original lessor. If any such change in ownership occurs through the death of the owner, lessee may pay or tender a y rentals, royalties or payments to the credit of the deceased or his estate in the depository bank until such time as lessee has been furnished with evidence satisfactory to lessee as to the persons entitled to such sums. In the event of an assignment of this lease as to a segregated portion of said land, the rentals payable hereunder shall be apportioned as between the several leasehold owners ratably according to the surface area of each, and default in rental payment by one shall not affect the rights of other leasehold owners hereunder. An assignment of this lease, in whole or in part, shall, to the extent of such assignment, relieve and discharge lessee of any obligations hereunder, and, if lessee or assignee of part or parts hereof shall fail or make default in the payment of the proportionate part of the rentals due from such lessee or assignee or fail to comply with any other provision of the lease, such default shall not affect this lease in so far as it covers a part of said lands upon which lessee or any assignee thereof shall so comply or make such payments. Rentals as used in this paragraph shall also include shut-in royalty.

9. Should lessee be prevented from complying with any express or implied covenant of this lease, or from conducting drilling or reworking operations hereunder, or from producing oil or gas hereunder by reason of scarcity or inability to obtain or use equipment or material, or by operation of force majeure, or by any Federal or state law or any order, rule or regulation of governmental authority, then while so prevented, lessee's duty shall be suspended, and lessee shall not be liable for failure to comply therewith; and this lease shall be extended while and so long as lessee is prevented by any such cause from conducting drilling or reworking operations on or from producing oil or gas hereunder; and the time while lessee is so prevented shall not be counted against lessee, anything in this lease to the contrary notwithstanding.

10. Lessor hereby warrants and agrees to defend the title to said land, and agrees that lessee, at its option, may discharge any tax, mortgage, or other lien upon said land, and in the event lessee does so, it shall be subrogated to such lien, with the right to enforce same and apply rentals and royalties accruing hereunder toward satisfying same. Without impairment of lessee's right above the warranty, if this lease covers a less interest in the oil or gas in all or any part of said land than the entire and undivided fee simple estate (whether lessor's interest is herein specified or not) then the royalties, shut-in royalty, rental, and other payments, if any, accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease bears to the whole and undivided fee simple estate therein. Should any one or more of the parties named above as lessors fail to execute this lease, it shall nevertheless be binding upon the party or parties executing the same.

11. Lessee, its/heir successors, heirs and assigns, shall have the right at any time to surrender this lease, in whole or in part, to lessor or his heirs, successors, and assigns by delivering or mailing a release thereof to the lessor, or by placing a release thereof of record in the county in which said land is situated; thereupon lessee shall be relieved from all obligations, expressed or implied, of this agreement as to acreage so surrendered, and thereafter the rentals and shut-in royalty payable hereunder shall be reduced in the proportion that the acreage covered hereby is reduced by said release or releases.

Executed the day and year first above written.

BEFORE EXAMINER UTZ

OIL AND GAS COMMISSION

FILED IN 3

CASE NO. 5519

X W. Russell Jones, a widower
W. Russell Jones, a widower

X Deceased
Cora C. Jones

STATE OF ~~NEW MEXICO~~ KANSASCounty of Cheyenne

INDIVIDUAL ACKNOWLEDGMENT (New Mexico Short Form)

The foregoing instrument was acknowledged before me this 3RD day of August, 1966 by W. Russell Jones, aka Russell Jones, and his wife Cora C. Jones

My Commission expires Nov. 6, 1969

Notary Public

STATE OF NEW MEXICO,

County of _____

INDIVIDUAL ACKNOWLEDGMENT (New Mexico Short Form)

The foregoing instrument was acknowledged before me this _____ day of _____, 19____ by _____

My Commission expires _____, 19____

Notary Public

STATE OF NEW MEXICO,

County of _____

INDIVIDUAL ACKNOWLEDGMENT (New Mexico Short Form)

The foregoing instrument was acknowledged before me this _____ day of _____, 19____ by _____

My Commission expires _____, 19____

Notary Public

STATE OF _____

County of _____

INDIVIDUAL ACKNOWLEDGMENT (New Mexico Short Form)

The foregoing instrument was acknowledged before me this _____ day of _____, 19____ by _____

My Commission expires _____, 19____

Notary Public

By Pearce32618 CFee \$2.75

Form 342 Hall-Poorbaugh Press, Roswell, N. M.

Deputy.

County Clerk.

I hereby certify that this instrument was filed for

record on the 8th day of September,A. D. 1966, at 10:45 o'clock A. M., andwas duly recorded in Book 105 at Page 722

of the Records of said County.

Porchy Herring

County Clerk.

STATE OF NEW MEXICO

COUNTY OF Cheyenne

Term _____

No. of Acres _____

Section _____, Township _____, Range _____

Date _____, 19____

FROM

TO

G. Lee Williamson

W. Russell Jones

OIL AND GAS LEASE

NEW MEXICO

BOOK 105 PAGE 723

STATE OF NEW MEXICO

County of _____

The foregoing instrument was acknowledged before me this _____ day of _____, 19____

by _____, President

of _____ a _____ corporation

on behalf of said corporation.

My Commission Expires: _____

Notary Public

STATE OF _____

County of _____

The foregoing instrument was acknowledged before me this _____ day of _____, 19____

by _____, President

of _____ a _____ corporation

on behalf of said corporation.

My Commission Expires: _____

Notary Public

116/67
STATE OF NEW MEXICO, COUNTY OF CHAVES, ss

FILED FOR RECORD January 16, 1967 at 4:05 o'clock P.M.
Lorraine R. Naut County Clerk, By BP Deputy
Rec. 35467
Fee 1.75

Assignment of Oil and Gas Lease

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, G. DEE WILLIAMSON and LANITA C. WILLIAMSON, his wife

hereinafter called Assignor (whether one or more),

for and in consideration of One Dollar (\$1.00) receipt of which is hereby acknowledged, does hereby sell, assign, and convey unto

ROBERT N. ENFIELD

~~XXXXXX~~ all their

the ~~whole~~ interest and title in and to the oil and gas lease dated July 28, 1966

from W. RUSSELL JONES, a widower, lessor,

to G. DEE WILLIAMSON, lessee,

recorded in book 105, page 723, in so far as said lease covers the following described land in

Chaves County, State of New Mexico:

TOWNSHIP 8 SOUTH, RANGE 33 EAST, N.M.P.M.

Section 11: NW/4

containing 160.00 acres, more or less,

BEFORE EXAMINATION

OIL COMMISSION COVERED BY

EXHIBIT NO. 4

CASE NO. 3519

together with the rights incident thereto and the personal property thereon, appurtenant thereto, or used or obtained in connection therewith.

And for the same consideration the Assignor covenants with the Assignee, its or his heirs, successors or assigns: That the Assignor is the lawful owner of and has good title to the interest above assigned in and to said lease, estate, rights and property, free and clear from all liens, encumbrances or adverse claims; that said lease is a valid and subsisting lease on the lands above described, and all rentals and royalties due thereunder have been paid and all conditions necessary to keep the same in full force have been duly performed; and that the Assignor will warrant and forever defend the same against all persons whomsoever, lawfully claiming or to claim the same.

EXECUTED, This 12th day of January, 1967

LANITA C. WILLIAMSON

G. DEE WILLIAMSON

State of NEW MEXICO

County of CHAVES

Individual Acknowledgment—N. M. Short Form

The foregoing instrument was acknowledged before me this 12th day of January, 1967

by G. DEE WILLIAMSON and LANITA C. WILLIAMSON, his wife.

My Commission Expires: August 15, 1967

Maxine E. Roberts Notary Public

Post Office Roswell, New Mexico

State of _____

County of _____

Corporation Acknowledgment—N. M. Short Form

The foregoing instrument was acknowledged before me this _____ day of _____, 19____

by _____, President

of _____ a _____ corporation

on behalf of said corporation.

Notary Public

My Commission Expires: _____

Post Office _____

Book 107, Page 509

Lawyers Title Insurance Corporation
CO. OF THE CENTRAL
TRUST CO. OF NEW MEXICO

Longhorn Title Insurance Corporation
NEW MEXICO

Form 14-1 (Producers Special)
New Mexico and Texas Form

OIL AND GAS LEASE

Form 14-1 (Producers Special)
Printed and for Sale by
Hall-Forbaugh Press-Roswell, N. M.

AGREEMENT made and Entered into this 21st day of July, 1966
between Mary L. West, a feme sole (formerly Mary W. Jones)

hereinafter called lessor (whether one or more), and Walter B. Holton

hereinafter called lessee, does witness:

1. That lessor, for and in consideration of the sum of Ten and no/100 Dollars (\$ 10.00), in hand paid, and of the covenants and agreements hereinafter contained to be performed by the lessee, has this day granted and hereby grants, leases and lets exclusively unto the lessee for the purpose of exploring, drilling, mining and operating for and producing oil and gas, casinghead gas and casinghead gasoline, laying pipe lines, building tanks, storage oil, building power stations, telephone lines and other structures thereon to produce, save, take care of and manufacture all of such substances, and for housing and boarding employees, the following described tract of land in

Chaves County, New Mexico
All of the Northwest Quarter (NW 1/4)

In Section 11, Township 8 North, Range 33 East, and containing 1.60 acres, more or less.

2. This lease shall remain in force for a term of ten (10) years and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of them is produced.

3. The lessee shall deliver to the credit of the lessor as royalty, free of cost, in the pipe line to which lessee may connect its wells the equal one-eighth part of all oil produced and saved from the leased premises, or at the lessee's option, may pay to the lessor for such one-eighth royalty the market price for oil of like grade and gravity prevailing on the day such oil is run into the pipe line, or into storage tanks, lessor's interest in either case, to bear one-eighth of the cost of treating oil to render it marketable pipe line oil.

4. The lessee shall pay lessor, as royalty, one-eighth of the proceeds from the sale of the gas, as such, for gas from wells where gas only is found, and where not sold shall pay Fifty (50.00) dollars per annum as royalty from each such well, on or before 30 days after said well is shut-in, and while such royalty is in full such well shall be held to be a producing well under paragraph numbered two hereof. The lessee to have gas free of charge from any gas well on the leased premises for steam and inside lights in the principal dwelling house on said land by making his own connections with the well, the use of said gas to be at the lessee's sole risk and expense. The lessee shall pay to lessor for gas produced from any oil well and used by the lessee for the manufacture of gasoline or any other product, as royalty, one-eighth of the market value of such gas at the mouth of the well. If said gas is sold by the lessee, then as royalty one-eighth of the proceeds of the sale thereof.

5. If operations for the drilling of a well for oil or gas are not commenced on said land on or before one year from this date, this lease shall terminate as to both parties, unless the lessee shall, on or before one year from this date, pay or tender to the lessor or for the lessor's credit in the

American Bank of Commerce, El Paso, Texas, or its successors, which bank and its successors are the lessor's agent and shall continue as the depository of any and all sums payable under this lease, regardless of change of ownership in said land or in the oil and gas, or in the rentals to accrue thereunder, the sum of

One Hundred Sixty and no/100 Dollars (\$ 160.00)

which shall operate as rental, and cover the privilege of the commencement of drilling operations for a period of one year. In like manner and upon the payment of rentals, the commencement of drilling operations may be further deferred for like periods successively. All payments or tenders may be made by check or draft of lessor or any assignee thereof, mailed or delivered on or before the rental paying date. Notwithstanding the death of the lessor, or his successors in interest, the payment or tender of rentals in the manner provided above shall be binding on the heirs, devisees, executors, and administrators of such person.

6. If at any time prior to the discovery of oil or gas on this land and during the term of this lease, the lessee shall drill a dry hole, or holes, on this land, this lease shall not terminate, provided operations for the drilling of a well shall be commenced within twelve months from the expiration of the last rental period for which rental has been paid, or provided that within said period the lessee begins or resumes the payment of rentals in the manner and amount herein above provided, and in this event the preceding paragraphs hereof governing the payment of rentals and the manner and effect thereof shall continue in force.

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

8. The lessee shall have the right to use free of cost, gas, oil and water found on said land for its operations thereon, except water from the wells of the lessor. When required by lessor, the lessee shall bury pipe lines below plow depth and shall pay for damages caused by its operations to growing crops on said land. No well shall be drilled nearer than 200 feet to the house or barn house on and premises without written consent of the lessor. Lessee shall have the right at any time during or after the expiration of this lease to remove all machinery, fixtures, houses, buildings and other structures placed on said premises, including the right to draw and remove all casing.

9. 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 the heirs, executors, administrators, successors and assigns, but no change of ownership in the land or in the rentals or royalties shall be binding on the lessee until after notice to the lessor and it has been furnished with the written transfer or assignment of a certified copy thereof, nor shall any such change of ownership in any manner increase the obligations or diminish the rights of lessor hereunder. In the event this lease shall be assigned as to a part or as to parts of the above described lands, and the holder or owner of any such part or parts shall fail or make default in the payment of the proportionate part of the rent due from him or them, such default shall not operate to defeat or affect this lease in so far as it covers a part or parts of said land upon which he said lessee or any assignee hereof shall make due payment of said rentals.

10. Lessor hereby warrants and agrees to defend the title to the land herein described and agrees that the lessee, at its option, may pay and discharge any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands and, in event it exercises such option, it shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying to the discharge of any such mortgage, tax or other lien, any royalty or rentals accruing hereunder.

11. Notwithstanding anything in this lease contained to the contrary, it is expressly agreed that if lessee shall commence drilling, or reworking, operations at any time while this lease is in force, this lease shall remain in force and its term shall continue so long as such operations are prosecuted, whether on the same or successive wells, with no cessation of more than sixty (60) consecutive days between the completion of one such operation and the commencement of another, and if production results therefrom, then as long as production continues.

12. If within the primary term of this lease, production on the leased premises shall cease from any cause, this lease shall not terminate provided lessee commences additional drilling or reworking operations on or before the next ensuing rental paying date, or, provided lessee begins or resumes the payment of rentals in the manner and amount hereinabove provided, if, after the expiration of the primary term of this lease, production on the leased premises shall cease from any cause, this lease shall not terminate provided lessee commences additional drilling or reworking operations within thirty (30) days from such cessation, and this lease shall remain in force during the prosecution of such operations and, if production results therefrom, then as long as production continues.

13. Lessee may at any time and from time to time surrender this lease as to any part or parts of the leased premises by delivering or mailing a release thereof to the lessor, or by placing a release thereof of record in the proper county.

14. This lease and all its terms, conditions, and stipulations shall extend to and be binding on all successors of said lessor or lessee.

15. This lease shall not be terminated, in whole or in part, nor shall lessee be held liable in damages, for failure to comply with the express or implied covenants hereof, if compliance therewith is prevented by, or if such failure is the result of, any Federal or State laws, executive orders, rules, or regulations, acts of God, labor troubles, scarcity of materials, or other causes beyond lessee's control. If, at the end of the primary term hereof, such term has not been extended by production or drilling as in this lease provided, and lessee, by reason of any of the above recited causes, is unable to drill a well on the leased premises for oil or gas, the primary term and the rental provision hereof shall be extended automatically from year to year until the first anniversary hereof occurring ninety (90) or more days following the removal of such delaying cause. During any period that lease is unable to produce and/or market any products from the leased premises by reason of any of the above recited causes, this lease shall remain in full force and effect.

IN WITNESS WHEREOF, We sign the day and year first above written.

Barbara Alice Monroey (Mary L. West)

Barbara Alice Monroey, Notary Public
My Commission Expires June 1, 1967

BEFORE EXAMINATION
OIL COMMISSIONER
EXHIBIT NO. 5
CASE NO. 3514

STATE OF TEXAS,
County of EL PASO

(ACKNOWLEDGMENT FOR INDIVIDUAL)

On this 29th day of July, 1966, before me personally appeared Mary L. West, a feme sole,

to me 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.

Witness my hand and official seal the day and year last above written.

My commission expires June 1, 1967

Postoffice P.O. Box 941, El Paso, Texas

STATE OF NEW MEXICO,
County of

(ACKNOWLEDGMENT FOR CORPORATION)

On this day of 19 before me personally appeared

to me personally known, who being by me duly sworn did say that he is the President of and that the seal affixed to said instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said to be the free act and deed of said corporation.

Witness my hand and official seal the day and year last above written.

My commission expires Notary Public

STATE OF TEXAS,
County of

(TEXAS SINGLE ACKNOWLEDGMENT)

Before me, the undersigned authority, a Notary Public in and for said County and State, on this day personally appeared

known to me to be the person whose name subscribed to the foregoing instrument, and acknowledged to me that same for the purpose and consideration therein expressed.

Given under my hand and seal of office, this the day of

Notary Public in and for



No.	OIL AND GAS LEASE	
FROM	Mary L. West	
TO	Walter E. Holton	
Date	19	
Section	Twp.	Rge.
No. of Acres	Term	County
STATE OF New Mexico		
County of Chaves		
This instrument was filed for record on the 11th day of August 1966 at 9:20 o'clock A.M. and duly recorded in Book 105 Page 239 of the records of this office.		
By Dorothy Herring, Register of Deeds.		
Rec. \$31976 Fee \$275		
When recorded, return to W.B. Holton, Box 618 Midland, Texas		
Form 318 Revised by Printed and for Sale by Hall-Porter, Inc., Houston, N. M.		

THE STATE OF TEXAS,
County of

(TEXAS JOINT ACKNOWLEDGMENT)

Before me, the undersigned, a Notary Public in and for said County and State, on this day personally appeared

known in me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same for the purpose and consideration therein expressed.

And the said wife, having been examined by me privily and apart from her husband, and having had said instrument fully explained to her, she, the said wife, acknowledged the same to be her act and deed, and declared that she had willingly signed the same for the purpose and consideration therein expressed, and that she did not wish to retract it.

Given under my hand and seal of office, this the day of A. D. 19

Notary Public in and for County, Texas

March 12, 1911

Mr. Walter D. Holton
Houston, Texas 77001

Re: Lease No. 319
Robert H. Hatfield No. 1 Well Sec
located Sec. 31, T30N R4E S40E W1
Shawnee Oil Co., Lease 33 East
Shawnee Oil Co., Lease 33 East

Dear Mr. Holton:

As you have previously been advised, I propose the drilling of the above captioned well in the Shawnee-Oil-Andres field. Tidewater, who represents the J. Paul Getty interest, which is a one-half working interest, has agreed to join in this proposed well, and we have agreed on an operating agreement covering this well.

As you are the owner of record of a one-eighth working interest, I wish to submit an A.P.D. covering the estimated costs of this well. Your proportionate share of the completed well would be estimated at \$7,375.00.

Assuming you are agreeable to joining in this proposed well, please return, within seven days, one executed copy of the attached A.P.D. and I will forward to you a confirmed copy of my operating agreement with Tidewater, which I hope will be a mutually satisfactory agreement.

Yours very truly,

ROBERT H. HATFIELD

RHP/mr

A.F.E. REQUEST
 Robert N. Enfield
 No. 1 Hale Fee
 Section 17, 330' F.M.L. & 660' F.M.L.
 Township 6 South, Range 33 East
 Chaves County, New Mexico

Drilling Costs

Survey	\$ 150.00
Road & Location	1,500.00
Surface Damages	500.00
Surface Casing - 400' of 8-5/8"	1,300.00 T
Cement, Cementing & Equipment - 275 Sacks	1,000.00
Casing Head	300.00 T
Logs	3,000.00
Mud	1,200.00
Hauling	1,000.00
Contract Footage - 4400' @ \$3.25	14,300.00
Dry Work - 2 1/2 Days @ \$700	1,750.00
Supervision	1,000.00

Costs to Casing Point

\$ 27,000.00

If Dry Hole:

Plugging & Cleaning Location	\$ 1,500.00
Total Dry Hole	28,500.00

Completion Costs

Production Casing - 4400' of 4 1/2"	\$ 7,200.00 T
Cement, Cementing & Equipment - 350 Sacks	1,650.00
Tubing - 4400' of 2-3/8"	3,000.00 T
Perforating	800.00
Acidizing & Fracturing	7,500.00
Christmas Tree	350.00 T
Hauling	750.00
Labor	750.00
Battery (Tanks, Separator, Flow Lines, etc.)	7,500.00 T
Well Servicing Unit - 3 - 4 Days @ \$700	2,500.00

Costs after Casing Point

\$ 32,000.00

TOTAL

\$ 59,000.00

IF APPROVAL IS GIVEN, OPERATOR IS AUTHORIZED TO PROCEED AND THE UNDERSIGNED GRANTING APPROVAL AGREES TO PAY FOR WORK REQUESTED IN PROPORTION TO UNDERSIGNED'S SHARE OF THE WORKING INTEREST.

APPROVED: This _____ day of _____, 1966.

By _____

Walter B. Holton

P.O. Box 618

Midland, Texas 79701

BEFORE US

OIL CONSERVATION

EXHIBIT NO. 7

CASE NO. 3519

December 28, 1966

Mr. Robert N. Enfield
P.O. Box 807
Roswell, New Mexico 88201

RE: NW $\frac{1}{4}$ OF SECTION 11, TOWNSHIP 8 SOUTH, RANGE
33 EAST, CHAVES COUNTY, NEW MEXICO

Dear Mr. Enfield:

I am in receipt of copies of your application to the New Mexico Oil Conservation Commission and a letter from Hinkle, Bondurant & Christy dated December 20, 1966, addressed to said Commission, concerning the proposal to force pool my leasehold interest in captioned tract.

At this time I am not in a position to join in the drilling and completion of the proposed test well. However, I would not want to prevent the orderly development of the Chaveroo-San Andres Pool, or cause the loss of your correlative rights and/or waste in the State of New Mexico, and would therefore be willing to sell my interest in your proposed location or my interest in the entire NW $\frac{1}{4}$ of Section 11, on a fair and equitable basis. If you or the other working interest owners would be interested in this proposal, I would be happy to give prompt consideration to any bonafide written offer you care to make, in line with the value of the interest involved. In this way it is hoped that this matter can be concluded without the necessity of the hearing you have requested with the New Mexico Oil Conservation Commission.

You have previously advised that your title examination indicates that my title is questionable. Naturally this has caused me some concern and it will be greatly appreciated if you will lend me the abstracts so that my attorney can resolve this

RECEIVED JAN 3 1967

question and cure the title, if necessary, before
any deal is closed.

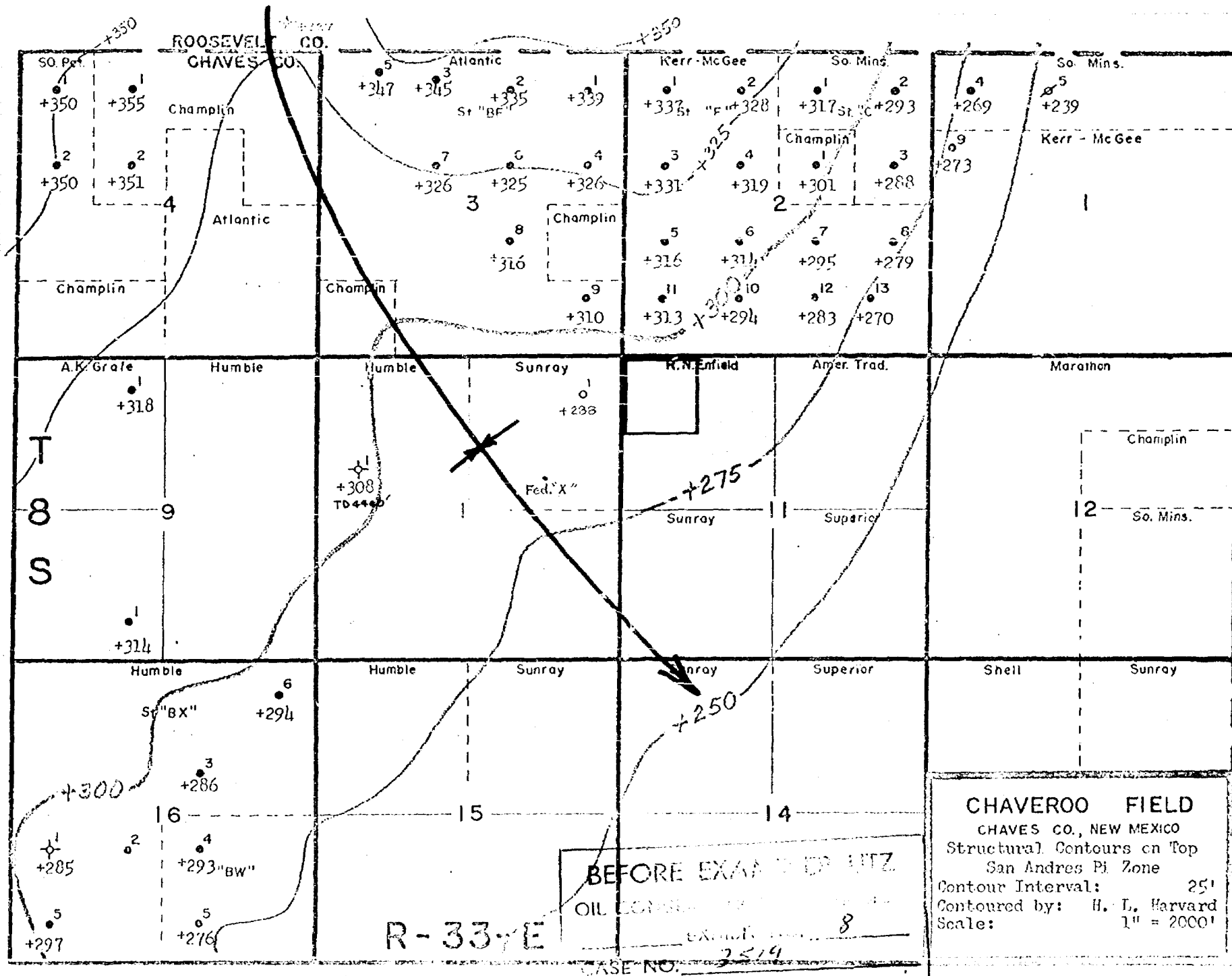
Yours very truly,

Walter B. Holton
Walter B. Holton

cc: New Mexico Oil Conservation Commission
P.O. Box 2085
Santa Fe, New Mexico
Attention: Mr. A.L. Porter, Jr.

cc: Hinkle, Bondurant & Christy
P.O. Box 10
Roswell, New Mexico 88201
Attention: Mr. Paul W. Eaton, Jr.

cc: Getty Oil Company
c/o Tidewater Oil Company
Vaughn Building
Midland, Texas 79701
Attention: Mr. James B. Davis



dearnley-meier recording service, inc.

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

1120 SIMMS BLDG. • P. O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO



BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
January 25, 1967
EXAMINER HEARING

IN THE MATTER OF:

Application of Robert N.
Enfield for compulsory pooling,
Chaves County, New Mexico.

Case 3519

BEFORE:

Elvis A. Utz, Examiner

TRANSCRIPT OF HEARING

MR. UTZ: Case 3519.

MR. HATCH: Case 3519, application of Robert N. Enfield for compulsory pooling, Chaves County, New Mexico.

MR. EATON: Mr. Examiner, Paul W. Eaton, Jr., of the law firm of Hinkle, Bondurant and Christy, Roswell, New Mexico, appearing for the applicant, Mr. Enfield. We have one witness to be sworn.

(Witness sworn)

* * * *

H. LEE HARVARD, called as a witness on behalf of the applicant, having first been duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. EATON:

Q Will you please state your name, address and occupation?

A H. Lee Harvard, Roswell, New Mexico, and I am a Geologist.

Q Mr. Harvard, what is your relationship to Robert N. Enfield?

A I am employed by Mr. Enfield.

Q What duties do you perform in that employ?

A Geological completion work, engineering, well supervision, lease and drilling equipment, purchasing.

Q Are you familiar with Mr. Enfield's lease and land and property files?

A Yes, I am.

Q Are you familiar with the status of the title to the land involved in this application?

A Yes, I am.

Q Are you familiar with the matters contained in the application of Mr. Enfield in this Case Number 3519?

A Yes, sir.

Q Are you familiar with the geology of the general area, where the land is located, and the status of other wells in the area?

A Yes.

Q Have you previously testified before the New Mexico Oil Conservation Commission while in the employ of Mr. Enfield?

A Yes, sir, I have.

Q And you qualified at that time?

A Yes, I did.

MR. EATON: Are the qualifications of Mr. Harvard acceptable?

MR. UTZ: Yes, they are.

Q (By Mr. Eaton) Mr. Harvard, you are aware that Mr. Enfield seeks an order from this Commission, force-pooling leasehold interests in the northwest quarter, northwest quarter, Section 11, Township 8 South, Range 33, East NMPM?

A Yes, I am.

Q Is this land in the Chaveroo-San Andres pool?

A Yes, it is. It is in the pool.

(Whereupon Applicant's Exhibits
One through Nine were marked
for identification)

Q (By Mr. Eaton) Mr. Harvard, as a preliminary matter, I hand you what has been marked as Exhibits Number One and Two and ask you to identify them and state what they represent?

A Exhibit Number One is an oil and gas lease from C.H. Hale and his wife, to David F. Jones, covering the acreage in question there. Exhibit Number Two is an assignment from C.H. Hale -- from David F. Jones to Robert Enfield.

Q Of that Hale --

A Of that same Hale lease.

Q I have you what has been marked as Exhibits Number Three and Four and ask you to identify them and state what they represent?

A Exhibit Number Three is a lease from W. Russell Jones to G.D. Williamson in this same area and Exhibit Number Four is an assignment of an oil and gas lease from G.D. Williamson and his wife to Robert N. Enfield, of the Jones lease.

Q The lease and the assignment covers the land



involved in this application?

A Yes, it does.

Q Fine. I hand you what has been marked as Exhibit Number Five and ask you to identify it and state what it represents?

A Exhibit Number Five is a lease from Mary L. West, formerly Mary W. Jones, to Walter B. Holton, in the same area.

Q Covering the land involved in this application?

A Right.

Q Are these Exhibits One through Five true and correct productions of the originals of those instruments?

A Yes, they are.

Q Is it your understanding that Mr. Enfield owns a three-eighths leasehold interest and that Walter B. Holton, H-o-l-t-o-n -- owns a one-eighth leasehold interest, and that Getty Oil Company owns one-half interest in the northwest quarter of the northwest quarter of Section 11?

A Yes, it is.

Q Does Mr. Enfield propose to drill a well on the land involved in this application?

A Yes, he does.

Q What is the projected depth of the well?

A Approximately 4400 feet. We plan to test the lower

zones of the San Andres formation and this 4400 feet should test the porosity zone there.

Q The application of Mr. Enfield shows the proposed location to be 330 feet from the north line and 650 feet from the west line of Section 11. Will that be the exact location of the proposed well?

A That was our plan; however, depending development of other wells in the area, we may move the location somewhat, but we would drill a legal location within that northwest, northwest, 40-acre tract involved in this application.

Q Has Mr. Enfield contacted other general -- being Getty Oil Company and Mr. Holton, to join in the drilling of this well?

A Yes, he has.

Q What reply has he received from those other oil interests?

A Getty Oil Company has contended to join in the drilling of this well and W.B. Holton has not. He elected to join --

Q Has Getty Oil Company agreed on Mr. Enfield to be the operator?

A Yes.

Q All right. And has an operating agreement been entered into between Mr. Enfield and Getty Oil Company?



A No, not at this time. They have discussed the general terms and have agreed on the general operating procedure.

Q Mr. Harvard, I hand you what has been marked as Exhibit Number Six and ask you to identify it and state what it reflects?

A Exhibit Number Six is a letter from Robert N. Enfield to Walter B. Holton advising him that he proposes to drill the well and on the area involved in this application. Also, attached to this letter, is an EAFE covering the estimated cost of the proposed well.

Q In this letter, Exhibit Number Six, does Mr. Enfield ask Mr. Holton to join in the drilling of this well?

A Yes, he does.

Q And Exhibit Number Six is a true and correct reproduction of Mr. Enfield's office copy of this letter to Mr. Holton?

A Yes, it is.

Q Now, I hand you what has been marked as Exhibit Number Seven, and ask you to identify it, please?

A Exhibit Number Seven is Walter B. Holton's reply to Mr. Enfield's letter and in this letter he advises Mr. Enfield that he is not in a position to join in the drilling and completion of the proposed well.

Q Mr. Harvard, have you prepared a structural contour map or any other maps covering the area in question?

A Yes, I have.

Q I hand you what has been marked as Exhibits Eight and Nine and ask you to identify them and state what they represent now?

A Exhibit Number Eight, Paul, is the contour map. Exhibit Number Eight is a structural contour map on the top of the marker of the San Andres formation. This marker is located approximately a hundred and fifty feet above the Slaughter zone of the San Andres. This is the pay zone of the Chaveroo field. The wells at the north section of the plat are wells that are in the Chaveroo field. That is a portion of the Chaveroo San Andres field. The contour interval is 2500, is 25 feet and the scale is one inch, 2000 feet. Standard map symbols are used to show completed wells, drilling wells and dry holes.

The area colored yellow is the northwest quarter of Section 11, 8 South, 33 East, Chaves County. The area outlined in red is the 40 acres involved in this application. Wells drilled in the immediate area show a rather pronounced re-entrance just west of the acreage in this application. The brown line indicates the approximate center of this re-entrance or ditch and this, of course, is a low area. Wells drilled in



this re-entrance, having encountered much lower porosity and permeability than the wells drilled in the higher structural positions. Exhibit Number Twelve --

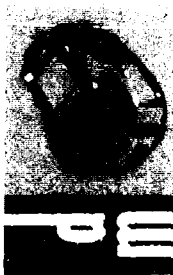
Q Not Twelve, sir, Exhibit Number Nine.

A Okay. Exhibit Number Nine is a plat of the same area except that it shows 24 hour potentials for completion of these areas in this well. This plat, like Exhibit Number Eight, has the northwest quarter of Section 11 colored yellow, and the 40 acres in this application are also outlined in red. The brown line indicates, again, the center of this low area. The re-entrance figures under neath the wells show the amount of oil and water that wells produce on their 24 hour potential test. For example, the well in the southeast, southeast of Section 33 of 8, 33, which is the Atlantic Number Nine State "BF" pumps, twenty-two barrels of oil plus ten barrels of water in 24 hours. Figures on this plat, I think, also indicate that the wells drilled in this ditch or adjacent to this re-entrance, are not as good wells, are poor wells. All of the wells in the -- or wells number five, number seven, number eight and number nine, in Section 3 of 8, 33, show lower completion figures and indicate that the wells are low in porosity and permeability.

Q Are there any dry holes within this re-entrance?

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A Yes, there are, to the north and almost off of the plat in the southeast, southeast of Section 33 of 7, 33 in Roosevelt County, there is a dry hole; and then also in the southwest of the northwest of Section 10 of 8, 33, Chaves County. These two wells are dry holes. They are drilled through the Slaughter zone of the San Andres, the Chaveroo pay and these wells were piped and product tested and were found to be non-commercial.

The drilled well in the northeast, northeast of Section 10, is the Sunray Number One Federal. This well was drilled to a depth of 4445. Production casing was set and after two completion attempts through selective perforation in intervals from 4340 to 4410, the well was finally plugged back to a depth of 4306. The operator is now swabbing load back from perforations, after fracturing perforations 4243, 59 and 92. This is the very top of the porosity zones of the Slaughter formation and this well does not appear to be a good well either. Obviously, the porosity and permeability is low. Electrical logs indicate this.

This well is due west of the proposed well that Mr. Enfield would be drilling. Most operators who drill in this part of the country agree that, essentially, any well drilled in this area is a wildcat, whether it is to offset by production or not. You have to set production pipes and perforate,

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acidize and frac the well, and then production test it to be sure whether you have a well or dry hole.

Erratic development of porosity and permeability in this area almost demands this; besides the proposed well being in this general category, I think it is also an additional risk, because of the proximity to this ditch or this re-entrant just to the west. In essence, what I'm saying, is that it should be considered as a wildcat due to this erratic nature, this particular formation and also the structural position of the well.

Q Mr. Harvard, I don't recall if I asked you, were Exhibits Eight and Nine prepared by you?

A Yes, they were.

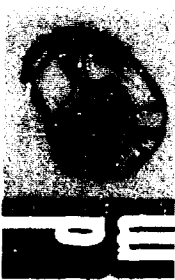
Q In your opinion, do you feel that there is a possibility that the Enfield proposed well could be a dry hole?

A Yes, there is that possibility, as I pointed out up here in the southeast, southeast of Section 33 of 7 south, 33 east, which is the well almost off of the plat. This well was offset by three direct offsets and three diagonal offsets that are productive wells and yet this is a dry hole. Even if we did make a well, there is some question if it encountered this lower porosity and permeability, which it very well could, with its proximity to the ditch, why, then it may never pay out, pay the drill completion costs.

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Q Mr. Harvard, do you feel that the risk involved in drilling this well would justify the Commission approving a maximum risk charge of 50 percent?

A Yes, I do, but there again, I come back to the statement that I made earlier, that I feel like these wells, when you get right down here on the edge and adjacent to this ditch, and in this ditch, that these wells have to be considered as wildcats or at least that is kind of what I am thinking.

Q Mr. Harvard, has an FAFE been prepared for this well?

A Yes, it has.

Q Who prepared it?

A I prepared the FAFE.

Q Is the FAFE prepared to Exhibit Six, the letter from Mr. Enfield to Mr. Holton?

A Yes, it is.

Q In your opinion, are the drilling and completion costs including the charge for supervision as shown on the FAFE reasonable?

A Yes, they are. I prepared this FAFE from information I had obtained from people who had drilled offset wells in this immediate area.

Q In your opinion, Mr. Harvard, will the pooling of

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all interests in the land involved in this application avoid unnecessary wells, protect correlative rights and prevent waste?

A Yes, it will.

MR. EATON: Mr. Examiner, I have no more questions of this witness. I would ask that Exhibits One through Nine be admitted into evidence.

MR. UTZ: Without objection, Exhibits One through Nine will be entered into the record in this case.

(Whereupon Exhibits One through Nine were admitted in evidence.)

CROSS EXAMINATION

BY MR. UTZ:

Q Mr. Harvard, how much more testing have they got to do on the Sunray well before they will know whether it is going to make a well or not?

A That well lacks a hundred and forty barrels of load.

Q Is it flowing?

A No, they are swabbing. It is not flowing. Some of the wells to the north have flowed back after being kicked off by swabbing, but this well is a lower permeability well and they are having to swab it back.

Q But this tract is offset to the north and northwest by a pretty good producing well, is that correct?

A No, sir, the well to the northwest, the Atlantic

Number Nine, State BF, is a very poor well.

Q Fifty-two barrels, did you say?

A Yes, sir. The wells, due north and northeast, are pretty good wells. They are pooled locations, they are nine-ninety from the south line, so unfortunately, they didn't give us the information we would like to have had by pooling them away from us, and to make it even more difficult, the only logs that they ran were gamma ray neutron inside the casings, so we really cannot tell what the nature of the formation of the porosity and permeability is. It is just a bare indication of the porosity, but it is not good at all.

Q Does Enfield plan to drill on any more of this quarter section?

A Yes, sir, I would assume it depends on this particular well.

Q You think this is the best prospect in this quarter, quarter section?

A At this time, yes, sir.

Q Do you know of anyone else that has any wells projected in this area or adjacent to this quarter section?

A Not that I'm sure of. I'm sure all of these people would be contemplating it in the near future, but I think from what I understood talking to the other leaseholders and operators in the area, that they are kind of waiting on us

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to see, after the completion of our well.

Q Are you waiting on Sunray?

A Yes. Actually, no, we are not. We are waiting on this, on Holton. In fact, we wanted to drill before the end of the year. Some of the people at Getty Oil Company wanted to have this well in the '66 budget. We were ready to drill before the end of 1966 so we are not waiting on Sunray. Naturally, we are vitally interested in what they will come up with, but this was not the reason that we have not drilled.

Q Well, are you now going to wait on Sunray before you go ahead and drill?

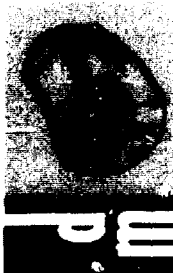
A Yes, I assume we will, if they should be through with their testing, I would say, within the next week or two.

Q If they should get a dry hole there, then how is that going to affect you?

A I feel like we still will be forced to develop this acreage. It is liable to make me a little weak in the knees, but I feel like we will still have to drill the well.

Q You are familiar with the usual Commission policy as to wildcat wells and development wells in regard to the risk factor, are you not?

A To a certain extent, yes, sir, I am. That is one reason I tried -- I attempted to explain this, this particular



area. I know it has some peculiar things, it is a very low -- well, it is a low porosity formation throughout, and you throw in some of these other factors such as this re-entrant and getting down on the flank or the edge of the pool, I think we are looking at a much bigger risk than a normal development pool, development well, over even a normal step-out well.

MR. EATON: Is this location on the south side of the pool?

A Yes, it is. Yes, this is on the south side of the Chaveroo San Andres pool.

MR. UTZ: Any other questions of the witness?

Q (By Mr. Utz) Do any of these Exhibits have anything in them regarding operating expenses, monthly operating expenses? Have you reached any agreement with Cetty in that regard?

A No, sir, we haven't. Now, we have talked in general terms. I think Mr. Enfield has talked in general terms with them and I would kind of hate to say what they are. I know that we have, we operate other wells and properties in the area and our operating cost is certainly not excessive. I know it is normal, below normal operating costs.

MR. UTZ: I am afraid it is going to be a little difficult for us to try to write an order without some idea

of what your expenses are. Of course, we can make a judgement on the basis of other cases.

MR. EATON: Well, Mr. Examiner, it was my understanding that, and I may be very wrong in saying this, that the order wouldn't entitle him to recover the actual expenditures, so long as they are reasonable.

MR. HATCH: I think that part of the order has to do with the drilling of the well and then a certain amount is usually allowed in these records.

MR. UTZ: Risks --

MR. HATCH: For monthly operation of the well to the operator.

THE WITNESS: I am sure we can.

MR. EATON: If we could, with the Examiner's permission, submit by letter --

MR. UTZ: That will be all right.

MR. EATON: Some statement or some information along that line, we will.

MR. UTZ: Okay, if you will do that within the next week or ten days, it will be fine.

THE WITNESS: Yes, sir.

MR. UTZ: Unless you are in a bigger hurry than that for an order?

MR. EATON: I think we can get that information in

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to you fairly promptly.

THE WITNESS: I think we are in kind of a hurry for the order and unfortunately we are not helping it by not having that information, but we will get it in the mail probably tomorrow or the next day.

MR. UTZ: Are there any further questions of the witness? You may be excused.

(Witness excused)

MR. UTZ: Statements?

MR. HATCH: I have a letter from Walter B. Holton, I would like to read into the record, please.

MR. EATON: Sir, that letter may be the same here as our Exhibit Five or Six.

MR. HATCH: I don't think so.

MR. UTZ: No, this is an additional letter.

MR. EATON: We have a copy of this letter and certainly it may be read into the proceedings.

MR. HATCH: Dated January 22nd, addressed to New Mexico Oil Conservation Commission, re: Docket Number, Case Number 3519. "Gentlemen: The hearing in connection with this application is set for 9:00 A.M., Wednesday, January 25th, 1967, before Elvis A. Utz, Examiner, or Daniel S. Nutter, Alternate Examiner.

I will be unable to attend said hearing, and hereby

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respectfully request that this letter be accepted in lieu of my personal appearance.

I am opposed to the proposal of Mr. Enfield to drill a well at this time. Sunray DX Oil Company is presently drilling its Number One New Mexico Federal, located 660 feet from the west line and 660 feet from the east line of Section 10, a direct west offset from the location Mr. Enfield proposes to force-pool. Also, American Trading and Production Company has staked a location 330 feet out in the northwest quarter of the northeast quarter of Section 11, just one location removed from being a direct east offset to Mr. Enfield's proposed 40 acre forced-pooling location.

The Kerr-McGee wells in the south half of the southwest quarter of Section 2 are located 990 feet from the north line of Section 11, and my engineering consultant is of the opinion that they are not draining the northwest quarter of Section 11. He and I both feel that a prudent operator would wait until the Sunray DX well is drilled before making a decision as to whether or not the northwest quarter of the northwest quarter of Section 11 should be drilled. We would look rather silly if we rigged up and drilled a dry hole simultaneously with the Sunray DX and/or American Trading and Production Company.

In view of the facts mentioned here and above, I

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see no reason to believe that the failure to drill Mr. Enfield's proposed location at this time will delay the orderly development of the Chaveroo San Andres Pool, cause waste, or damage anyone's correlative rights. The Sunray DX well will give us valuable data on which to base our decision as to whether we should or should not, drill in the northwest quarter of the northwest quarter of Section 11.

Therefore, I hereby respectfully request that Mr. Enfield's forced-pooling proposal be denied, at least for the present. I doubt very much that we will have any disagreement as to whether or not we should drill in the northwest quarter of the northwest quarter of Section 11 as soon as we have seen what the Sunray DX well turns out to be. Yours very truly, signed, Walter B. Holton."

MR. EATON: I wonder if we could get a letter just for our files.

MR. UTE: Any other statements? The case will be taken under advisement and we will adjourn until 1:30.

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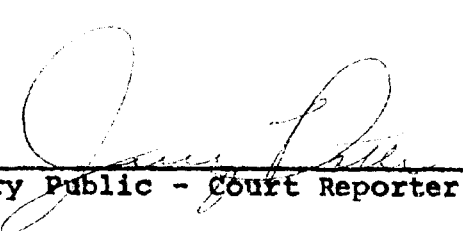
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STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

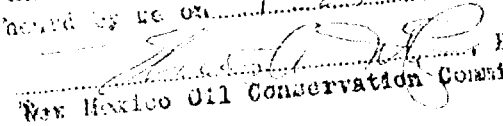
I, JERRY POTTS, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission at Santa Fe, New Mexico, is a true and correct record to the best of my knowledge, skill and ability.

IN WITNESS WHEREOF I have affixed my hand and notarial seal this 29th day of March, 1967.


Notary Public - Court Reporter

My Commission Expires:

July 10, 1970

I do hereby certify that the foregoing is a correct record of the proceedings in the hearing of Case No. 3517, held by me on March 2, 1967.
 Examiner
New Mexico Oil Conservation Commission

3519

OIL & GAS LOG

(Continued From Page 1)
of water from perforations at 2,940-45 feet. Yield was gauged through a 12-64-inch choke and surface pressure was 200 pounds. The horizon was fractured with 7,500 gallons.

No. 1-C Randolph originally was planned as a 4,500-foot Cherry Canyon prospector and drilled to total depth of 4,510 feet. At 3,040 feet, 7-inch casing was set and the project plugged back to 3,010 feet for the Delaware completion.

Location is 660 feet from south and 1,980 feet from east lines of section 46, block 57, T-2, T&P survey.

Producer Finished In Fisher Sector

Three J Oil Co. and Fischer and Sandefer of Abilene (formerly J. D. Sandefer III) No. 1 Mattie Key has been finished as the seventh reef producer in the Shamrock (Canyon reef) pool of Fisher County.

Daily flowing rate was 155 barrels of 43-gravity oil with gas - oil ratio of 900-1. The crude came through a 12-64-inch choke and from perforations at 5,280-87 feet which were washed with 500 gallons of mud acid and injected with 1,000 gallons of acid.

Well site is 1,840 feet from north and 467 feet from west lines of section 9, block 2, H&TC survey, three miles northwest of Royston, 1,650 feet northeast of production.

Location Spotted For Kent Region

Lobo Oil Co. of Fort Worth has scheduled No. 4 W. Connell as a 7,600 - foot test in the Polar East (Pennsylvanian) area of Kent County.

Drill site is 1,650 feet from south and 500 feet from west lines of section 3, block 5, H&GN survey, 15 miles southwest of Clairmont.

Scurry Pool Gets Site For Stepout

Lloyd H. Smith of Houston has staked No. 1-C Clara Mae Johnson as an outpost for the Tonto, Northeast (Cisco) pool of Scurry County.

Located eight miles north of Snyder, the project spots 1,980 feet from south and west lines of section 266, block 2, H&TC survey. Scheduled depth is 5,500 feet.

Sunray Schedules Chaves Operation

Sunray DX Oil Co. of Midland No. 1-X New Mexico - Federal has been staked as an undesignated San Andres test, 18 miles northeast of Caprock in Chaves County, N.M.

Drill site is 660 feet from north and east lines of section 10-8s-33e. Contract depth is 4,500 feet.

Walter B. Hulston

P. O. Box 618
Midland, Texas 79701

January 22, 1967

New Mexico Oil Conservation Commission
P.O. Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. A.L. Porter, Jr.

RE: DOCKET NO. 3-67

CASE 3519

ROBERT N. ENFIELD'S APPLICATION FOR COMPULSORY
POOLING OF ALL MINERAL INTERESTS IN NW $\frac{1}{4}$ OF NW $\frac{1}{4}$
SECTION 11, TOWNSHIP 8 SOUTH, RANGE 33 EAST,
CHAVES COUNTY, NEW MEXICO

Gentlemen:

The hearing in connection with captioned case is set for
9:00 A.M. Wednesday, January 25, 1967, before Elvis A.
Utz, Examiner, or Daniel S. Kutter, Alternate Examiner.

I will be unable to attend said hearing, and hereby
respectfully request that this letter be accepted in
lieu of my personal appearance.

I am opposed to the proposal of Mr. Enfield to drill a
well at this time. Sunray DX Oil Company is presently
drilling its #1-X New Mexico Federal well, located 660'
FNL and 660' FEL of Section 10, direct West offset to
the location Mr. Enfield proposes to force-pool. Also,
American Trading & Production Company has staked a
location 330 feet out of the Northwest Corner of NE $\frac{1}{4}$ of
Section 11, just one location removed from being a
direct East offset to Mr. Enfield's proposed 40 acre
forced-pooling location.

The Kerr-McGee wells in S $\frac{1}{2}$ of SW $\frac{1}{4}$ of Section 2 are
located 990 feet from the North line of Section 11, and
my engineering consultant is of the opinion that they
are not draining NW $\frac{1}{4}$ of NW $\frac{1}{4}$ of Section 11. He and I
both feel that a prudent operator would wait until the
Sunray DX well is drilled before making a decision as
to whether or not NW $\frac{1}{4}$ of NW $\frac{1}{4}$ Section 11 should be
drilled. We would look rather silly if we rigged up
and drilled a dry hole simultaneously with Sunray DX
and/or American Trading & Production Company.

In view of the facts mentioned hereinabove, I see no reason to believe that failure to drill Mr. Enfield's proposed location at this time will delay the orderly development of the Chaveroo-San Andres Pool, cause waste, or damage anyone's correlative rights. The Sunray DX well will give us invaluable data on which to base our decision as to whether we should, or should not, drill in NW $\frac{1}{4}$ of NW $\frac{1}{4}$ Section 11. Therefore, I hereby respectfully request that Mr. Enfield's forced-pooling proposal be denied at least for the present. I doubt very much that we will have any disagreement as to whether or not we should drill in NW $\frac{1}{4}$ of NW $\frac{1}{4}$ Section 11 as soon as we have seen what the Sunray DX well turns out to be.

Yours very truly,

Walter B. Holton

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