

CASE 5879: MORRIS R. ANTWEIL FOR  
COMPULSORY POOLING, EDDY COUNTY,  
NEW MEXICO

Case Number

5879

Application

Transcripts

Small Exhibits

ETC.

Morris R. Antweil

OIL OPERATOR

P. O. Box 2010

HOBBS, NEW MEXICO 88240

APR 27 1977

CONSERVATION COMM.

Santa Fe

April 25, 1977

New Mexico Oil Conservation Commission  
P. O. Box 2083  
Santa Fe, New Mexico 87501

ATTENTION: Mr. Joe D. Ramey

REFERENCE: Case No. 5879  
Order No. R-5397

Gentlemen:

We anticipate commencing drilling operations  
on the Antweil No. 1 Mesa Viva in the N/2 of  
Section 12-T22S-R26E, Eddy County, about 5 May 1977.

Enclosed is a copy of our AFE, an itemized  
schedule of the estimated well costs as required  
by provision (3) of the captioned Order No. R-5397.

Respectfully,

MORRIS R. ANTWEIL



R. M. Williams

RMW:crm  
Enclosure

AFE COST ESTIMATE  
NO. 1 MESA VIVA  
N/2 SEC. 12-22-26

APR 27 1977  
CONSERVATION COMM  
SOUTH FO

| ITEM   | TANGIBLE  | INTANGIBLE | TOTAL      |
|--|-----------|------------|------------|
| <u>COST TO DRILL 11,600-FOOT TEST</u>            |           |            |            |
| Roads, Location & Damages                        | \$        | \$ 15,000  | \$ 15,000  |
| Footage Drilling-11,600' @ \$11.65/ft.           |           | 135,140    | 135,140    |
| Daywork Operations-4 days @ \$2900/day           |           | 11,600     | 11,600     |
| Mud & Water                                      |           | 25,000     | 25,000     |
| Surface Casing-300' 13-3/8"<br>@ \$15.50/ft.     | 4,650     |            | 4,650      |
| Cement & Service-13-3/8" Casing                  |           | 2,200      | 2,200      |
| Intermediate Casing-2700' 9-5/8"<br>@ \$9.50/ft. | 25,650    |            | 25,650     |
| Cement & Service--9-5/8" Casing                  |           | 7,500      | 7,500      |
| Drill Stem Test Service-2 DST's                  |           | 2,000      | 2,000      |
| Logging Service                                  |           | 17,100     | 17,100     |
| Rental Tools & Equipment                         |           | 4,000      | 4,000      |
| Wellhead & Connections                           | 3,000     |            | 3,000      |
| Supervision & Expense                            |           | 2,500      | 2,500      |
| Transportation & Misc. Labor                     |           | 4,000      | 4,000      |
| Contingencies                                    |           | 25,660     | 25,660     |
| COST TO CASING POINT                             | \$ 33,300 | \$ 251,700 | \$ 285,000 |
| <u>COMPLETION COSTS</u>                          |           |            |            |
| Production Casing-11,600' 5-1/2"<br>@ \$6.75/ft. | \$ 78,300 | \$         | \$ 78,300  |
| Cement & Service-5-1/2" Casing                   |           | 6,000      | 6,000      |
| Daywork-1 day @ \$2800/day                       |           | 2,800      | 2,800      |
| Well Service Unit-10 days                        |           | 7,000      | 7,000      |
| Perforating Service                              |           | 5,000      | 5,000      |
| Tubing-11,400' 2-3/8" N-80<br>@ \$2.35/ft.       | 26,790    |            | 26,790     |
| Rental Tools & Equipment                         |           | 4,000      | 4,000      |
| Acid Treatment                                   |           | 7,000      | 7,000      |
| Wellhead & Connections                           | 8,000     |            | 8,000      |
| Separator-Treater Unit                           | 20,000    |            | 20,000     |
| Supervision & Expenses                           |           | 3,500      | 3,500      |
| Transportation & Misc. Labor                     |           | 5,000      | 5,000      |
| Contingencies                                    |           | 16,610     | 16,610     |
| COMPLETION COST                                  | \$133,090 | \$ 56,910  | \$ 190,000 |
| TOTAL AFE COST                                   | \$166,390 | \$ 308,610 | \$ 475,000 |

Morris R. Antweil

OIL OPERATOR

P. O. Box 2010

HOBBS, NEW MEXICO 88240

March 15, 1977

MAR 16 1977  
NEW MEXICO OIL CONSERVATION COMMISSION

New Mexico Oil Conservation Commission  
Box 2088  
Santa Fe, New Mexico 87501

ATTENTION: Mr. D. S. Nutter

REFERENCE: Case No. 5879

*File  
Case 5879*

Gentlemen:

Enclosed are two land maps of the NW/4 and NE/4 of Section 12-T22S-R26E, Eddy County, marked to indicate the leased acreage and the unleased minerals requested to be pooled in the captioned hearing on 9 March 1977. The Examiner requested that we furnish a copy of the land map to supplement Applicant's Exhibit 3 presented during the hearing.

Recalculation of the acreage attributable to Lee B. Voigt in the NW/4 indicates his unleased minerals to be 33.58 acres, rather than the 29.79 acres quoted in Exhibit 3. Final determination of acreage and ownership will be made if and when a division order title opinion is prepared.

Please contact me if anything further is required.

Yours very truly,

MORRIS R. ANTWEIL

*R M Williams*

R. M. Williams

RMW:crm  
Enclosures

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
March 9, 1977

EXAMINER HEARING

IN THE MATTER OF:

Application of Morris R. Antweil for ) CASE  
compulsory pooling, Eddy County, ) 5879  
New Mexico. )

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil Conservation Commission: Lynn Teschendorf, Esq.  
Legal Counsel for the Commission  
State Land Office Building  
Santa Fe, New Mexico

For the Applicant: Donald G. Stevens, Esq.  
Attorney at Law  
214 Old Santa Fe Trail  
Santa Fe, New Mexico

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General Court Reporting Service  
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| Direct Examination by Mr. Stevens | 3           |
| Cross Examination by Mr. Nutter   | 11          |
| <u>LEE VOIGT</u>                  |             |
| Direct Examination by Mr. Nutter  | 15          |
| Cross Examination by Mr. Stevens  | 18          |

EXHIBIT INDEX

|   | <u>Offered</u> | <u>Admitted</u> |
|---|----------------|-----------------|
| Applicant's Exhibit One, Forms            | 4              | 10              |
| Applicant's Exhibit Two, Acreage Holdings | 4              | 10              |
| Applicant's Exhibit Three, Tabulation     | 5              | 10              |
| Applicant's Exhibit Four, Letter          | 5              | 10              |
| Applicant's Exhibit Five, Form Letter     | 5              | 10              |
| Applicant's Exhibit Six, AFE              | 6              | 10              |
| Applicant's Exhibit Seven, Map            | 7              | 10              |
| Applicant's Exhibit Eight, Tabulation     | 8              | 10              |
| Voigt Exhibit One, Surveyor's Acreage     | 18             | -               |

1 MR. NUTTER: We will call Case Number 5879.

2 MS. TESCHENDORF: Case 5879, application of Morris  
3 R. Antweil for compulsory pooling, Eddy County, New Mexico.

4 MR. STEVENS: Mr. Examiner, I'm Don Stevens, an  
5 attorney from Santa Fe representing the applicant in this  
6 case and we have one witness to be sworn.

7 (THEREUPON, the witness was duly sworn.)

8  
9 R. M. WILLIAMS

10 called as a witness, having been first duly sworn, was examined  
11 and testified as follows:

12  
13 DIRECT EXAMINATION

14 BY MR. STEVENS:

15 Q Would you state your name, your address, your  
16 occupation and your relationship to the applicant in this  
17 case, please?

18 A My name is R. M. Williams, Petroleum Engineer,  
19 employed by Morris R. Antweil in Hobbs, New Mexico.

20 Q Have you previously testified before the Commission  
21 and had your qualifications accepted by this Commission?

22 A Yes, I have.

23 MR. STEVENS: Are the expert witness' qualifications  
24 acceptable, Mr. Examiner?

25 MR. NUTTER: Yes, they are.

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1 Q (Mr. Stevens continuing.) Briefly would you state  
2 what the applicant seeks here, Mr. Williams?

3 A Yes, sir, the applicant has requested a compulsory  
4 pooling of the north half of Section 12, Township 22 South,  
5 Range 26 East, Eddy County, New Mexico, three hundred and twenty  
6 acres to be dedicated to a well to be drilled at a standard  
7 location thereon.

8 Q Referring then to what has been marked as Exhibit  
9 Number One, would you explain it, please?

10 A Yes, Exhibit One is a copy of the C-101, Intention to  
11 Drill and the C-102, the plat for the proposed well in the  
12 north half of Section 12, 22 South, 26 East.

13 Q This application is subject to this hearing, is it  
14 not?

15 A Yes, it is where they request if all the owners'  
16 tracts have been consolidated and we indicated it was subject  
17 to the forced pooling hearing.

18 Q Referring to what has been marked as Exhibit Number  
19 Two, would you explain it, please?

20 A Exhibit Two is a breakdown of the acreage holding  
21 in the three hundred and twenty acres, being the north half  
22 of Section 12, 22 South, 26 East, Antweil, et al, hold two  
23 hundred and seventy-one, point, two, three acres or eighty-  
24 four, point, seven, six percent of the proposed unit. Cities  
25 Service Oil Company has a half an acre of point, one, six

1 percent and there are unleased minerals in the amount of  
2 forty-eight, point, two, seven acres or fifteen, point, oh,  
3 eight, percent.

4 Q Referring to what has been marked as Exhibit Number  
5 Three would you explain it further, please?

6 A Exhibit Three is an eleven-page tabulation of the  
7 unleased minerals that comprise the forty-eight, point, two,  
8 seven acres. Particular attention is directed to Item One on  
9 the first page of that exhibit, the first tract described  
10 there is twenty-nine, point, seven, nine acres and it's the  
11 largest single tract that is involved in the unleased minerals.  
12 A review of the others would indicate that they had to be  
13 quite small town lot properties.

14 Q Referring to what has been marked as Exhibit Number  
15 Four, would you go through it, please?

16 A Exhibit Number Four is a letter that was sent by  
17 certified mail to Mr. Lee Voigt, the owner of the twenty-nine  
18 acre tract that is unleased, informing him of the forced  
19 pooling hearing. He had been previously contacted by our  
20 landman in an attempt to lease the minerals and he was informed  
21 at that time that our only recourse would be to proceed with  
22 a forced pooling hearing.

23 Q Exhibit Number Five is next, would you explain it,  
24 please?

25 A Exhibit Five is a form letter that was sent to the

1 percent and there are unleased minerals in the amount of  
2 forty-eight, point, two, seven acres or fifteen, point, oh,  
3 eight, percent.

4 Q Referring to what has been marked as Exhibit Number  
5 Three would you explain it further, please?

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7 unleased minerals that comprise the forty-eight, point, two,  
8 seven acres. Particular attention is directed to Item One on  
9 the first page of that exhibit, the first tract described  
10 there is twenty-nine, point, seven, nine acres and it's the  
11 largest single tract that is involved in the unleased minerals.  
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13 quite small town lot properties.

14 Q Referring to what has been marked as Exhibit Number  
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17 certified mail to Mr. Lee Voigt, the owner of the twenty-nine  
18 acre tract that is unleased, informing him of the forced  
19 pooling hearing. He had been previously contacted by our  
20 landman in an attempt to lease the minerals and he was informed  
21 at that time that our only recourse would be to proceed with  
22 a forced pooling hearing.

23 Q Exhibit Number Five is next, would you explain it,  
24 please?

25 A Exhibit Five is a form letter that was sent to the

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1 remainder of the one hundred and sixteen unleased mineral  
2 owners informing them of the forced pooling hearing and offer-  
3 ing to lease their acreage. We have heard from some five of  
4 those to date that have indicated that they are interested in  
5 leasing.

6 Q To the best of your belief and knowledge then all  
7 unleased mineral owners have been contacted and have been  
8 offered the option of leasing or joining in the well, is that  
9 a fair statement?

10 A If you will look in our eleven-page Exhibit Three  
11 there, there were some mineral owners where we have a name  
12 only and no address. We could not ascertain an address for  
13 these people from the records in Carlsbad, tax records or  
14 the county clerk's records, and we have no way of contacting  
15 them. Also there were a couple of the letters that were  
16 mailed that were returned indicating that they could not be  
17 delivered at the address that had been used.

18 Q Referring to what has been marked as Exhibit Number  
19 Six, would you explain it, please?

20 A Exhibit Six is our AFE cost estimate for the  
21 proposed well, cost to drill an eleven thousand, six hundred  
22 foot Morrow test and the cost to complete that well in a total  
23 amount of four hundred and seventy-five thousand dollars.

24 Q And in your opinion is that in line with ordinary and  
25 usual cost estimates in this area?

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1           A.     Yes, we have drilled several wells in the immediate  
 2 area and our experience on those wells was used in preparing  
 3 this estimate?

4           Q     Referring to what has been marked as Exhibit Number  
 5 Seven, would you explain it, please?

6           A.     Exhibit Seven is a map, land map, of the area  
 7 surrounding the proposed gas spacing proration unit. It  
 8 shows the proposed proration unit in the north half of Section  
 9 12 of 22, 26, the location of the proposed well and then also  
 10 other Morrow completions in the area and dry Morrow tests in  
 11 the area.

12                     I would like to point out that the trend of  
 13 successful Morrow completions that extends, say, from the  
 14 south edge of our map there at the Carlsbad Airport and trends  
 15 northeastward to the east edge of the City of Carlsbad, this  
 16 ridge or structural high has proved to be almost and always  
 17 productive from the Morrow interval.

18                     As you move to the west or to the north and west of  
 19 that trend you will see the occurrence of many of the designated  
 20 dry Morrow tests, indicating the substantially higher risk  
 21 that is incurred as you leave the main Morrow trend.

22                     We feel that our proposed location lies to the  
 23 west of that trend and we would share the risk encountered by  
 24 the wells to the west of the main Morrow trend.

25           Q     Have you made any rough calculations as to that risk

1 to the west and northwest of the main South Carlsbad producing  
2 trend?

3 A. Yes, as you get off the trend there there have been  
4 some seventeen wells that have been drilled that are shown on  
5 the map and eight of those were dry in the Morrow, eight of  
6 them made what I would call a marginal Morrow producer and  
7 there is one excellent well that was drilled off the trend,  
8 that's the Cities Service Ives Well in Section 30 of 21, 27.

9 The other Morrow completions in this area are in  
10 the million to two million calculated open flow potential and  
11 may or may not prove to be commercial.

12 Q Just for the record could you explain the red, blue  
13 and orange markings on each well symbol on your map?

14 A. Yes, sir, the proposed well in the north half of  
15 Section 12 is marked in red. The Morrow completions are  
16 marked in blue and the dry Morrow tests are marked in orange.

17 Q Referring to what has been marked as Exhibit Number  
18 Eight, would you explain it, please?

19 A. Yes, this is a tabulation of some forced pooling  
20 orders that had been issued in the immediate area of our  
21 application. It designates the order number, the three  
22 hundred and twenty acre unit included in that order, and the  
23 risk factor that was designated by that order.

24 Q What's your summary opinion of these various risk  
25 factors here?

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1 A. Our well drilled in Section 11 immediately east of  
2 our proposed well was covered by Commission Order R-5222, was  
3 awarded a two hundred percent risk factor approximately a  
4 year ago.

5 Q. Were many of these wells with these risk factors,  
6 were they in the South Carlsbad Field and in the area of the  
7 Field at the time that they were drilled, that is on the  
8 structural part of the Field?

9 A. Yes, some. The ones that are included in this  
10 tabulation did lay along the Morrow trend where the better  
11 production has been encountered.

12 Q. Is it your opinion then that since you are off this  
13 structural trend that you should get a larger risk factor for  
14 this well?

15 A. Yes, I would consider our proposed location to be  
16 a higher risk well than some of the ones that have been included  
17 in the tabulation that were along the producing trend.

18 Q. Do you have a recommendation for the Commission as  
19 to what risk factor should be granted on this well?

20 A. We request a risk factor of two hundred percent.

21 Q. Do you have a recommendation to the Commission for  
22 overhead and administrative costs for the drilling and produc-  
23 tion of this well if it does in fact produce?

24 A. Yes, our current operating agreements are providing  
25 for a fifteen hundred dollar per month overhead for a drilling

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1 well and two hundred and twenty-five dollars per month over-  
2 head for a producing well.

3 Q Is this a normal figure in the area?

4 A From what I heard here today this sounds low.

5 Q Does the applicant herein desire to be named operator  
6 of this well if the Commission does force pool?

7 A Yes, Morris R. Antweil requests to be designated as  
8 the operator.

9 Q Were Exhibits One through Eight prepared by you or  
10 under your direction?

11 A Yes, sir.

12 MR. STEVENS: We would like to move the introduction  
13 of these exhibits, Mr. Examiner.

14 MR. NUTTER: Antweil Exhibits One through Eight will  
15 be admitted into evidence.

16 (THEREUPON, Antweil Exhibits One through  
17 Eight were admitted into evidence.)

18 MR. STEVENS: We have no further questions on  
19 direct, sir.

20 MR. NUTTER: Off the record.

21 (THEREUPON, a discussion was held  
22 off the record.)

23 MR. NUTTER: Okay, we probably ought to get this in  
24 the record. You may want to go a little further with it and  
25 if you don't get it in the record here today you may be precluded



1 some place along the line from presenting your side of it.

2 MR. STEVENS: Well, let's get him on the record first.  
3 Do you have any further testimony concerning this at this  
4 point, subject to later, in the event that we should want to.

5 MR. WILLIAMS: No, that is the only thing we have  
6 at this time.

7

8 CROSS EXAMINATION

9 BY MR. NUTTER:

10 Q Mr. Williams, on your Exhibit Number Seven, I notice  
11 up here in Section 30 in Township 21, 27, you have indicated  
12 by the orange symbol a well in the northwest quarter of  
13 Section 30, I believe in an earlier case today there was some  
14 discussion of that well. That's probably that Cities Service  
15 Tracey "E" and at that time the witness in that case said that  
16 well was just now setting pipe, they didn't have any test on  
17 it yet. Have you got some additional information that indicates  
18 that it is a dry well in the Morrow?

19 A We considered it dry from the testing and logging  
20 that they did.

21 Q They have run pipe on the well, though?

22 A Yes, they have.

23 Q But there has been no potential filed on it yet?

24 A No.

25 MR. VOIGT: What section was that in, Mr. Chairman?

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1 MR. NUTTER: It's in Section 30 of Township 21 North,  
2 Range 27 North. It's up north of LaHuerta there.

3 Q (Mr. Nutter continuing.) Now, what part of the  
4 proration unit has your working interest committed so to, Mr.  
5 Williams?

6 A I'm not sure I understood your question.

7 Q What do we have outstanding here, what are we  
8 pooling?

9 A It would be any unleased minerals, Cities Service is  
10 the only working interest owner that holds a lease and they've  
11 indicated that they will join or sell that acreage to us and  
12 we're talking about pooling the unleased minerals that exist.

13 Q So with respect to Exhibit Number Two, you list  
14 Antweil with two hundred and seventy-one, point, two, three  
15 acres and Cities Service with half an acre?

16 A Yes, sir.

17 Q So those interests are all pooled?

18 A Those interests are all agreeable to enter into  
19 an operating agreement.

20 Q And of the forty-eight, point, two, seven unleased  
21 minerals, none of these have pooled with you?

22 A Since we mailed the letter there have been five  
23 leaseholders that have contacted us and we are preparing a  
24 lease for those interests. They were all quite small, in a  
25 tenth of an acre range.

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1 Q So by the time you finally get your unit fully  
 2 established this unleased minerals will be decreased somewhat?

3 A It will be reduced some.

4 Q Now, of this one hundred and sixteen town lot tracts  
 5 that you describe in your Exhibit Number Three, these would all  
 6 be working interest owners as well as royalty owners unless  
 7 some of them leased to you, is that it?

8 A That is correct.

9 Q And as combination owners it will be a seven-eighths  
 10 working interest and a one-eighth royalty interest?

11 A I believe that's what the rules provide.

12 Q Now, in Exhibit Number Five you state that you are  
 13 offering these mineral interest owners a lease bonus of a hundred  
 14 and fifty dollars an acre and a three-sixteenths royalty. In  
 15 Exhibit Number Four you discuss -- or this is a letter to  
 16 Mr. Voigt. Was he offered the same lease bonus of one hundred  
 17 and fifty dollars per acre and a three-sixteenths royalty that  
 18 the other small interest owners in the area were offered?

19 A Yes, sir.

20 Q And your estimate of costs would be two hundred and  
 21 eighty-five thousand dollars to the casing point and four  
 22 hundred and seventy-five dollars for a completed well?

23 A Yes, sir.

24 Q You are seeking a two hundred percent risk factor  
 25 and fifteen hundred dollars a month supervision while drilling

1 and two hundred and twenty-five dollars a month while  
2 producing?

3 A. That's correct.

4 MR. NUTTER: Are there any further questions of  
5 Mr. Williams?

6 Did you have any quesitons, sir, of Mr. Williams?

7 MR. VOIGT: I just wondered if he included the  
8 well that was south of Section 12, in Section 13. They just  
9 finished this well. I wondered if he had it on his map.

10 MR. NUTTER: What would the location of the well be,  
11 Mr. Voigt?

12 MR. VOIGT: The north half of Section 13.

13 MR. WILLIAMS: North half of Section 13, C & K has  
14 just completed or is in the process of completing a well, but  
15 it is indicated by drill stem test to be productive from the  
16 Morrow.

17 MR. NUTTER: And that is the blue well you have  
18 shown on your Exhibit Number Seven as a producing Morrow  
19 completion?

20 MR. WILLIAMS: Right.

21 MR. NUTTER: Yes, he has shown that, Mr. Voigt.

22 If there are no further questions of Mr. Williams  
23 he may be excused.

24 (THEREUPON, the witness was excused.)

25 MR. NUTTER: We will call for other appearances in

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1 this case. Now, Mr. Voigt, would you state your name and  
2 residence for the record, please?

3 MR. VOIGT: Lee Voigt, 609 South Sixth, Carlsbad,  
4 New Mexico.

5 MR. NUTTER: Mr. Voigt, as I undertand it, you are  
6 a land owner in the area which is the subject of this hearing  
7 in Case Number 5879, is that correct?

8 MR. VOIGT: Yes, I am.

9 MR. NUTTER: I think we will put you under oath,  
10 Mr. Voigt.

11 (THEREUPON, the witness was duly sworn.)

12  
13 LEE VOIGT

14 called as a witness, having been first duly sworn, was examined  
15 and testified as follows:

16  
17 DIRECT EXAMINATION

18 BY MR. NUTTER:

19 Q Mr. Voigt, I'm handing you what has been identified  
20 as the Applicant's Exhibit Number Three in this case, which is  
21 an eleven-page summary of the ownership of numerous tracts in  
22 the north half of Section 12, Township 22 South, Range 26 East.  
23 Now, is that a description of the lands that you own, does the  
24 acreage shown thereon agree with the acreage that you feel tha  
25 you own in that area?

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1 A. Well, the description is right but I'm sure the  
2 acres are wrong because they are not including the half a mile  
3 of a one hundred foot right-of-way on the Carlsbad Irrigation  
4 District and also thirty feet on Lee Street which is on the  
5 north side of Section 12.

6 Q And that land belongs to you, doesn't it, as far as  
7 minerals are concerned?

8 A Yes, sir.

9 Q So you feel that while the description there is  
10 correct that the total acreage in your land is different from  
11 what they have shown on their Exhibit, is that it?

12 A The mineral right acres are different, yes.

13 Q And how many acres do you feel like you own, as far  
14 as mineral acres are concerned?

15 A The county surveyor said that I have thirty-five,  
16 point, sixty-six acres of mineral rights in the north half of  
17 Section 12.

18 Q Now, if your calculation is correct, your surveyor  
19 is correct, and you've got six additional acres that aren't  
20 included in the Antweil description there, what would the six  
21 acres come off of with respect to adjoining land, would it come  
22 off of some other lease or does this mean that there are six  
23 more acres in the section?

24 A It means that there are six more acres in the section.  
25 The two hundred foot right-of-way that the CID has, it is split

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1 by the owners on each side of it. One hundred feet go to the  
2 east side of the canal and a hundred feet go to the west  
3 side of the canal, to the other owner. This is my understand-  
4 ing through the surveyor there.

5 Q Well, does this canal come down through the north  
6 half of Section 12 or does it go along the western edge of  
7 the section?

8 A It runs on the western edge of it and a half a mile  
9 a hundred feet wide.

10 Q Right down the section line?

11 A Yes, sir. It splits the section line.

12 Q Do you have a plat of the property with you?

13 A I didn't bring a plat. The only thing that I have  
14 is the surveyor's acreage that he says I have in both halves  
15 of 12. I have seven, point, two acres in the south half of  
16 12.

17 Q But your surveyor says you've got thirty-five acres  
18 in the north half which is subject to this hearing?

19 A Yes, sir.

20 Q Could you leave a copy of that with us as an exhibit  
21 in this hearing, Mr. Voigt?

22 A Yes, I can.

23 MR. NUTTER: Let's identify that then, Mr. Reporter,  
24 as Voigt Exhibit Number One in this case.

25 A I can also get you a plat of the land if Mr. Antweil

1 doesn't want to do that. It will be no problem.

2 MR. NUTTER: I think, Mr. Antweil, since we do have  
3 this question of this land along this canal we should have a  
4 detailed plat showing the lots and the property alignment here.

5 MR. STEVENS: Mr. Examiner, Mr. Antweil will be  
6 happy to furnish you with such a plat as carefully to delineate  
7 as possible for yours and Mr. Voigt's use.

8 MR. NUTTER: I've seen city maps of Carlsbad that  
9 show all the lots and show all the canals and where the property  
10 lines are.

11 (THEREUPON, Voigt Exhibit One was marked  
12 for identification by the Reporter.)

13 MR. NUTTER: Are there any questions of this  
14 witness? Mr. Stevens?

15  
16 CROSS EXAMINATION

17 BY MR. STEVENS:

18 Q Mr. Voigt, was your failure to lease with Mr. Antweil  
19 caused by the discrepancy in the amount of acreage involved?

20 A No.

21 Q In other words, if Mr. Antweil offered to pay you  
22 one hundred and fifty dollars an acre plus the three-sixteenth  
23 royalty on thirty-five acres, subject to its finally being  
24 resolved as to what is correct, you would refuse that?

25 A I would refuse it.

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1 MR. STEVENS: Mr. Examiner, we have no objection to  
2 his not leasing, that is certainly his right, but we feel that  
3 the discrepancy in the description is a legal matter which  
4 certainly will be resolved and we will be happy to give to  
5 the Commission any information it might want in regards to this.

6 As an aside, I know this has come up before on  
7 other lands in the area about these canals and right-of-ways and  
8 I don't think there is a resolution at this time.

9 MR. NUTTER: Well, I don't think the Commission  
10 can do anything about the ownership of lands along the canal  
11 but I think it is incumbent upon us to take his testimony here  
12 and let him put his statement into the record and he can take  
13 it from there then. Like you say, it is going to have to  
14 be resolved.

15 MR. STEVENS: Yes.

16 MR. NUTTER: Are there any further questions of  
17 Mr. Voigt? He may be excused.

18 (THEREUPON, the witness was excused.)

19 MR. VOIGT: Mr. Chairman, I would like to give a  
20 little testimony on the risk factor, if I may?

21 MR. NUTTER: Yes, sir, go ahead.

22 MR. VOIGT: I have been offered a much lesser risk  
23 factor than Mr. Antweil is asking for. C & H Drilling Company  
24 on the southside of 12 have offered to make an agreement with  
25 me before we come up here to a hundred and twenty percent which

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1 is two hundred and twenty percent risk factor and also they  
 2 made this same agreement in the north half of Section 13 with  
 3 Mr. William H. Taylor.

4 MR. NUTTER: The one hundred and twenty percent?

5 MR. VOIGT: Yes, sir.

6 MR. NUTTER: And that was in the north half of 18?

7 MR. VOIGT: 13.

8 MR. NUTTER: The north half of 13. So C & H has  
 9 drilled in the north half of 13 and they are putting a unit  
 10 together for the south half of 12 then, are they?

11 MR. VOIGT: Yes. I understand that hearing is  
 12 supposed to come up the twenty-third for forced pooling.

13 MR. NUTTER: Do you have anything further?

14 MR. VOIGT: No.

15 MR. NUTTER: If there is nothing further Mr. Voigt  
 16 may be excused.

17 (THEREUPON, the witness was excused.)

18 MR. NUTTER: Do you have anything further, Mr. Stevens?

19 MR. WILLIAMS: No, just that we will get a map  
 20 together and there may be a difference of opinion on the  
 21 acreage and that will just have to be determined in a final  
 22 title opinion and this was the work that our landman did from  
 23 the records in Carlsbad.

24 MR. NUTTER: Thank you, Mr. Williams.

25 Does anyone else have anything they wish to offer in

1 Case Number 58797

2 MR. VOIGT: I have one more thing, Mr. Chairman.

3 MR. NUTTER: Yes, Mr. Voigt.

4 MR. VOIGT: I'm sorry. I also have a lot in the north  
5 half of Section 12 that I don't have the description with me  
6 and I'm really not positive as to whether I have the mineral  
7 rights or not at this time.

8 MR. NUTTER: Have they listed it on that Exhibit  
9 Number Three?

10 MR. VOIGT: No. I am not sure of the mineral rights  
11 under it. I just bought the place about two years ago. I  
12 hadn't checked on it.

13 MR. NUTTER: They may have it listed then with someone  
14 else then as owning the mineral rights?

15 MR. VOIGT: It's very possible but I'm sure if the  
16 mineral rights was with it I got them.

17 MR. NUTTER: Well, I'm sure you did. Can you give us  
18 a description of where that is, even if it's a street number.

19 MR. VOIGT: It's 1210 Normandy.

20 MR. NUTTER: In the City of Carlsbad?

21 MR. VOIGT: Yes.

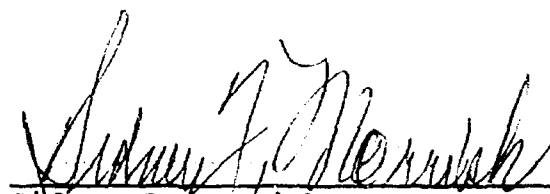
22 MR. NUTTER: Okay, thank you. 1210 Normandy, have  
23 you got that? If there is nothing further in Case Number 5879  
24 we will take the case under advisement and recess the hearing  
25 until one-thirty.

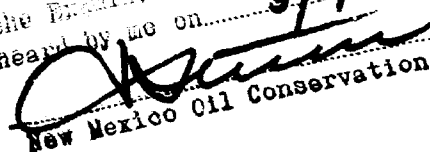
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REPORTER'S CERTIFICATE

I, SIDNEY F. MORRISH, a Certified Shorthand Reporter,  
do hereby certify that the foregoing and attached Transcript  
of Hearing before the New Mexico Oil Conservation Commission  
was reported by me, and the same is a true and correct record  
of the said proceedings to the best of my knowledge, skill and  
ability.

  
Sidney F. Morrish, C.S.R.

I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the Examiner hearing of Case No. 5879  
heard by me on 3/9, 1977.  
  
New Mexico Oil Conservation Commission



## OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO  
P. O. BOX 2088 - SANTA FE  
87501



DIRECTOR  
JOE D. RAMEY

LAND COMMISSIONER  
PHIL R. LUCERO  
March 16, 1977

STATE GEOLOGIST  
EMERY C. ARNOLD

Mr. Donald G. Stevens  
Attorney at Law  
Post Office Box 1797  
Santa Fe, New Mexico 87501

Re: CASE NO. 5879  
ORDER NO. R-5397

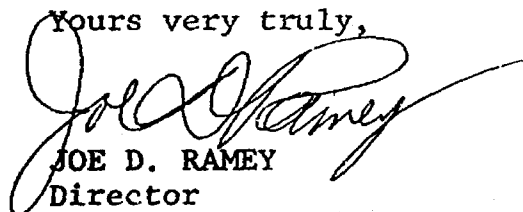
Applicant:

Morris R. Antweil

Dear Sir:

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

Yours very truly,

  
JOE D. RAMEY  
Director

JDR/fd

Copy of order also sent to:

Hobbs OCC X  
Artesia OCC X  
Aztec OCC           

Other Lee Voigt

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. 5879  
Order No. R-5397

APPLICATION OF MORRIS R. ANTWEIL  
FOR COMPULSORY POOLING, EDDY COUNTY,  
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on March 9, 1977,  
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 15th day of March, 1977, 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, Morris R. Antweil, seeks an  
order pooling all mineral interests in the Pennsylvanian  
formation underlying the N/2 of Section 12, Township 22 South,  
Range 26 East, NMPM, South Carlsbad Field, Eddy County, New  
Mexico.
- (3) That the applicant has the right to drill and proposes  
to drill a well at a standard location for said unit.
- (4) That there are interest owners in the proposed proration  
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 gas  
in said pool, the subject application should be approved by  
pooling all mineral interests, whatever they may be, within said  
unit.

-2-

Case No. 5879  
Order No. R-5397

(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 150 percent 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 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 \$1500.00 per month while drilling and \$225.00 per month while producing should be fixed as a reasonable charge for supervision (combined fixed rates); that the operator should be authorized to withhold from production the proportionate share of such supervision charge attributable to each non-consenting working interest, and in addition thereto, the operator should be authorized to withhold from production the proportionate share of actual expenditures required for operating the subject well, not in excess of what are reasonable, attributable to each non-consenting working interest.

(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.

(13) That upon the failure of the operator of said pooled unit to commence drilling of the well to which said unit is dedicated on or before May 15, 1977, the order pooling said unit should become null and void and of no effect whatsoever.

-3-

Case No. 5879  
Order No. R-5397

IT IS THEREFORE ORDERED:

(1) That all mineral interests, whatever they may be, in the Pennsylvanian formation underlying the N/2 of Section 12, Township 22 South, Range 26 East, NMPM, South Carlsbad Field, Eddy County, New Mexico, are hereby pooled to form a standard 320-acre gas spacing and proration unit to be dedicated to a well to be drilled at a standard location for said unit.

PROVIDED HOWEVER, that the operator of said unit shall commence the drilling of said well on or before the 15th day of May, 1977, and shall thereafter continue the drilling of said well with due diligence to a depth sufficient to test the Pennsylvanian formation;

PROVIDED FURTHER, that in the event said operator does not commence the drilling of said well on or before the 15th day of May, 1977, Order (1) of this order shall be null and void and of no effect whatsoever; unless said operator obtains a time extension from the Commission for good cause shown.

PROVIDED FURTHER, that should said well not be drilled to completion, or abandonment, within 120 days after commencement thereof, said operator shall appear before the Commission and show cause why Order (1) of this order should not be rescinded.

(2) That Morris R. Antweil is hereby designated the operator of the subject well and unit.

(3) That after the effective date of this order and within 30 days prior to commencing said well, the operator shall furnish the Commission and each known working interest owner in the subject unit an itemized schedule of estimated well costs.

(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 an itemized schedule of actual well costs within 90 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 45 days following receipt of said schedule, the actual well costs shall be the reasonable well costs; provided however, that if there is an objection to actual well costs within said 45-day period the Commission will determine reasonable well costs after public notice and hearing.

(6) That within 60 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.

(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, 150 percent of the pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not paid his share of estimated well costs within 30 days from the date the schedule of estimated well costs is furnished to him.

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

(9) That \$1500.00 per month while drilling and \$225.00 per month while producing is hereby fixed as a reasonable charge for supervision (combined fixed rates); that the operator is hereby authorized to withhold from production the proportionate share of such supervision charge attributable to each non-consenting working interest, and in addition thereto, the operator is hereby authorized to withhold from production the proportionate share of actual expenditures required for operating such well, not in excess of what are reasonable, attributable to each non-consenting working interest.

-5-

Case No. 5879

Order No. R-5397

(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.

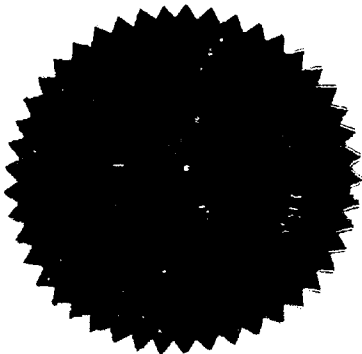
(11) That any well costs or charges which are to be paid out of production shall be withheld only from the working interests share of production, and no costs or charges shall be withheld from production attributable to royalty interests.

(12) That all proceeds from production from the subject well which are not disbursed for any reason shall be placed in escrow in Eddy 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.

(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



PHIL R. LUCERO, Chairman

  
EMERY C. ARNOLD, Member

  
JOE D. RAMSEY, Member & Secretary

S E A L

dr/

Dockets Nos. 9-77 and 10-77 are tentatively set for hearing on March 23 and April 6, 1977. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - MARCH 9, 1977

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

The following cases will be heard before Daniel S. Nutter, Examiner, or Richard L. Stamets, Alternate Examiner:

- ALLOWABLE:** (1) Consideration of the allowable production of gas for April, 1977, from seventeen prorated pools in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico.
- (2) Consideration of the allowable production of gas for April, 1977, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 5863: (Continued & Readvertised)

Application of Arerada Hess Corporation for an unorthodox oil well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Jicarilla Apache "B" Well No. 16, completed as an oil well in the Dakota formation at a point 1850 feet from the South line and 1500 feet from the West line of Section 29, Township 24 North, Range 5 West, Rio Arriba County, New Mexico, said well having been projected as a Basin-Dakota gas well at a standard gas well location for said pool.

CASE 5857: (Continued & Readvertised)

Application of Union Oil Company of California for directional drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to re-enter its Pipeline Deep Unit Federal Well No. 3, the surface location of which is 1980 feet from the North and East lines of Section 7, Township 19 South, Range 34 East, Lea County, New Mexico, and to directionally drill said well in a southerly or easterly direction and complete it in the Morrow formation at a point no closer than 330 feet to the outer boundary of the proration unit, the E/2 of said Section 7.

CASE 5873: In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider the amendment of Rule 1115 of the Commission Rules and Regulations to provide for the filing of information required on Form C-115, Operator's Monthly Report, in the manner and sequence prescribed by the Commission.

CASE 5874: Application of Texaco Inc. for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Lower San Andres formation through the perforated interval from 5926 to 5946 feet of its New Mexico "R" State Well No. 5, located in Unit B of Section 2, Township 18 South, Range 34 East, Vacuum Grayburg-San Andres Pool, Lea County, New Mexico.

CASE 5866: (Continued from February 16, 1977, Examiner Hearing)

Application of Union Texas Petroleum for an exception to casing and cementing requirements of Order No. R-111-A, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the casing and cementing requirements of Order No. R-111-A to eliminate the salt protection string in a well it proposes to drill in Unit D of Section 33, Township 20 South, Range 34 East, Lynch Yates-Seven Rivers Pool, Lea County, New Mexico.

CASE 5048: (Reopened) (Continued from January 19, 1977, Examiner Hearing)

In the matter of Case 5048 being reopened pursuant to the provisions of Order No. R-4637-A, which order extended the temporary special pool rules for the South Dagger Draw-Upper Pennsylvanian Associated Pool, Eddy County, New Mexico. All interested parties may appear and show cause why said temporary special pool rules should not be rescinded.

CASE 5117: (Reopened) (Continued from February 2, 1977, Examiner Hearing)

In the matter of Case 5117 being reopened pursuant to the provisions of Order No. R-4691-A, which order extended the temporary special pool rules for the North Dagger Draw-Upper Pennsylvanian Pool, Eddy County, New Mexico. All interested parties may appear and show cause why said North Dagger Draw-Upper Pennsylvanian Pool should not be developed on less than 160-acre proration units and why the special depth bracket allowable should be retained.

CASE 5875: Application of Atlantic Richfield Company for an unorthodox location and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to simultaneously dedicate a previously approved 370-acre non-standard Jalmat gas proration unit comprising the W/2 of Section 29, Township 24 South, Range 37 East, Lea County, New Mexico, to its William H. Harrison "A" WN Well No. 2 located in Unit D and William H. Harrison "D" Wells Nos. 1 and 6 in Units L and N, respectively, of said Section 29. Applicant further seeks approval of an unorthodox location for its William H. Harrison "D" WN Well No. 6 at a location 660 feet from the South line and 1930 feet from the West line of said Section.

CASE 5876: Application of Jerome P. McHugh for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Gavilan-Pictured Cliffs and Blanco-Mesaverde production in the wellbore of his June Well No. 1 located in Unit B of Section 28, Township 28 North, Range 3 West, Rio Arriba County, New Mexico.

CASE 5820: (Continued from February 16, 1977, Examiner Hearing)

Application of Texas Oil & Gas Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp and Pennsylvanian formations underlying the W/2 of Section 4, Township 22 South, Range 26 East, Eddy County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 5867: (Continued from February 16, 1977, Examiner Hearing)

Application of Texas Oil & Gas Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp and Pennsylvanian formations underlying the S/2 of Section 19, Township 21 South, Range 27 East, Burton Flat Field, Eddy County, New Mexico, to be dedicated to its Forrest Well No. 1 to be located in Unit N of said Section 19. Also to be considered will be the cost of completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in completion of said well.

CASE 5877: Application of Great Lakes Chemical Corporation for two non-standard gas proration units, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of two 160-acre non-standard Blanco Mesaverde gas proration units comprising the SE/4 of Section 3, and the NW/4 of Section 35, respectively, Township 27 North, Range 8 West, San Juan County, New Mexico.

CASE 5878: Application of Michael T. Gottlieb for two non-standard gas proration units, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of two 160-acre non-standard Blanco Mesaverde gas proration units comprising the NE/4 of Section 3, and the SW/4 of Section 35, respectively, Township 27 North, Range 8 West, San Juan County, New Mexico.

CASE 5879: Application of Morris R. Antweil for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the N/2 of Section 12, Township 22 South, Range 26 East, South Carlsbad Field, Eddy County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 5880: Application of Morris R. Antweil for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the S/2 of Section 20, Township 18 South, Range 25 East, Eddy County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

Examiner Hearing - Wednesday - March 9, 1977

Docket No. 8-77

-3-

CASE 5881: Application of Western Oil Producers, Inc. for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Amoco State Well No. 1, completed in the Atoka formation at a point 660 feet from the South and West lines of Section 28, Township 16 South, Range 33 East, Lea County, New Mexico, the W/2 of said Section 28 to be dedicated to the well.

CASE 5859: (Continued & Readvertised)

Application of Caulkins Oil Company for a dual completion and downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Blanco Mesaverde and Basin-Dakota production in the wellbore of its Breech D Well No. 307, located in Unit M of Section 13, Township 26 North, Range 7 West, Rio Arriba County, New Mexico, and to dually complete the commingled formations and the Chacra formation in said well.

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NEW MEXICO OIL CONSERVATION COMMISSION

Form C-101  
Revised 1-1-65

|  |
|--|
| 5A. Indicate Type of Lease   |
| STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/> |
| 5. State Oil & Gas Lease No.   |
| -----  |

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

|   |  |                                |                                  |
|---|--|--------------------------------|----------------------------------|
| 1a. Type of Work  |  | 7. Unit Agreement Name         |                                  |
| b. Type of Well   |  | 8. Farm or Lease Name          |                                  |
| DRILL <input checked="" type="checkbox"/>   | DEEPEN <input type="checkbox"/>              | Mesa Viva                      |                                  |
| OIL WELL <input type="checkbox"/>   | GAS WELL <input checked="" type="checkbox"/> | 9. Well No.                    |                                  |
| 2. Name of Operator   |  | 1                              |                                  |
| Morris R. Antweil   |  | 10. Field and Pool, or Wildcat |                                  |
| 3. Address of Operator  |  | Undesignated                   |                                  |
| Box 2010, Hobbs, N.M. 88240   |  | 12. County                     |                                  |
| 4. Location of Well   |  | Eddy                           |                                  |
| UNIT LETTER <u>G</u> LOCATED <u>1705</u> FEET FROM THE <u>North</u> LINE                                |  |                                |                                  |
| AND <u>2140</u> FEET FROM THE <u>East</u> LINE OF SEC. <u>12</u> TWP. <u>22-S</u> RGE. <u>26-E</u> NMPM |  |                                |                                  |
| 19. Proposed Depth  |  | 19A. Formation                 | 20. Rotary or C.T.               |
| 11,600  |  | Morrow                         | Rotary                           |
| 21. Elevations (Show whether DF, RT, etc.)  | 21A. Kind & Status Plug. Bond                | 21B. Drilling Contractor       | 22. Approx. Date Work will start |
| 3122' GR  | Blanket                                      | Moranco                        | 15 April 77                      |

23.

PROPOSED CASING AND CEMENT PROGRAM

| SIZE OF HOLE | SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | SACKS OF CEMENT | EST. TOP |
|--------------|----------------|-----------------|---------------|-----------------|----------|
| 17-1/2"      | 13-3/8"        | 48#             | 300'          | 300 sx.         | Circ.    |
| 12-1/4"      | 9-5/8"         | 36#             | 2700'         | 1200 sx.        | Circ.    |
| 8-3/4"       | 5-1/2"         | 17#             | 11600'        | 600 sx.         | 9500'    |

BOP Program:

- 1- 10" x 1500 series double Shaffer BOP
- 1- 10" x 1500 series Hydril

Acreage dedicated to proposed well is not committed to a gas sales contract.

BEFORE EXAMINER NUTTER  
OIL CONSERVATION COMMISSION  
Appl EXHIBIT NO. 1  
CASE NO. 5879

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

Signed LM Williams Title Agent Date 1 March, 1977

(This space for State Use)

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

CONDITIONS OF APPROVAL, IF ANY:

CASE NO. 5879 - EXHIBIT 1

NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102  
Supersedes C-128  
Effective 1-1-65

All distances must be from the outer boundaries of the Section

|  |                                      |  |  |                       |                      |
|--|--------------------------------------|--|--|-----------------------|----------------------|
| LESSOR<br><b>MORRIS R. ANTWEIL</b>   |                                      |  | LEASE<br><b>Mesa Viva</b>  |                       | WELL NO.<br><b>1</b> |
| Unit Letter<br><b>G</b>  | Section<br><b>12</b>                 | Township<br><b>22 South</b>                | Range<br><b>26 East</b>  | County<br><b>Eddy</b> |                      |
| Actual Portage Location of Well:   |                                      |  |  |                       |                      |
| <b>1705</b> feet from the <b>north</b> line and  |                                      | <b>2140</b> feet from the <b>east</b> line |  |                       |                      |
| Ground Level Elev.<br><b>3122.4</b>  | Producing Formation<br><b>Morrow</b> | Pool<br><b>Undesignated</b>                | Dedicated Acreage:<br><b>320</b> Acres   |                       |                      |
| <p>1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.</p> <p>2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty). <b>See Reverse Side.</b></p> <p>3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?</p> <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If answer is "yes," type of consolidation _____</p> <p>If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) <b>Force Pooling-Case No. 5879</b></p> <p>No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.</p> |                                      |  |  |                       |                      |
|  |                                      |  | <p align="center"><b>CERTIFICATION</b></p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>R. M. Williams</i></p> <p>Name<br/><b>R. M. Williams</b></p> <p>Position<br/><b>Agent</b></p> <p>Company<br/><b>Morris R. Antweil</b></p> <p>Date<br/><b>1 March, 1977</b></p>   |                       |                      |
|  |                                      |  | <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.</p> <p>Date Surveyed<br/><b>Feb. 25, 1977</b></p> <p>Registered Professional Engineer and/or Land Surveyor</p> <p><i>John W. West</i></p> <p>Certificate No. <b>676</b></p> |                       |                      |

CASE NO. 5879 - EXHIBIT 2

Proposed Gas Spacing and Proration Unit:

320 acres, being N/2 Section 12-T22S-R26E  
Eddy County, New Mexico

Acreage Holdings

|                            |                    |               |
|----------------------------|--------------------|---------------|
| Antweil, et al             | 271.23 acres       | 84.76%        |
| Cities Service Oil Company | 0.50 acres         | 0.16%         |
| Unleased Minerals          | <u>48.27</u> acres | <u>15.08%</u> |
|                            | 320.00 acres       | 100.00%       |

The unleased minerals are divided among 116 town-lot tracts, the largest of which is 29.79 acres.

BEFORE EXAMINER NUTTER  
OIL CONSERVATION COMMISSION  
Appl EXHIBIT NO. 2  
CASE NO. 5879



N $\frac{1}{2}$  Section 12, T22S-R26E; Eddy County, New Mexico

| ITEM<br>No. | DESCRIPTION  | RECORD OWNER  | MINERAL<br>INTEREST | NET<br>ACRES |
|-------------|--|---|---------------------|--------------|
| 1.          | All that portion of the W $\frac{1}{2}$ NW $\frac{1}{4}$ of Section 12, Township 22 South, Range 26 East, N.M.P.M. lying East of the Carlsbad Irrigation District main canal right-of-way, LESS a tract described as commencing at a point on the North line of said Section 12, 800 feet East of the Northwest corner of said Section 12; thence South at right angles to said North line of Section 12, 30 feet to the South line of the County Road for a point of beginning of this tract; thence East along the South line of said County Road 75 feet; thence South at right angles to the South line of said County Road, 120 feet; thence West parallel to the North line of Section 12, 75 feet; thence North 120 feet to the point of beginning of this tract. | Lee B. Voigt and Wilma<br>E. Voigt, his wife,<br>609 S. 6th<br>Carlsbad, NM 88220                               | All                 | 29.79        |
| 2.          | Beginning at a point on the East line of the NW $\frac{1}{4}$ of Section 12, Township 22 South, Range 26 East, N.M.P.M. 30 feet South of the Northeast corner of said NW $\frac{1}{4}$ ; Thence South along the East line of said NW $\frac{1}{4}$ , 158 feet; Thence West parallel to the North line of said NW $\frac{1}{4}$ , 105 feet; Thence North parallel to the East line of said NW $\frac{1}{4}$ , 158 feet; Thence East a distance of 105 feet, more or less, to the point of beginning.  | W. H. Pixler and Wanda<br>Pixler, his wife,<br>c/o Mrs. George F. Pixler<br>1105 N. Canal<br>Carlsbad, NM 88220 | All<br>(See below)  | 0.38         |
| 3.          | Beginning at a point that is 185 feet East of the Northwest corner of the NE $\frac{1}{4}$ of Section 12, Township 22 South, Range 26 East, N.M.P.M.; Thence South a distance of 34 feet; Thence East to the West line of Cypress Street; Thence North along the West line of Cypress Street to the Northeast corner of Block 25 of Gibson Addition, which is a point on the South line of Lea Street; Thence West to a point that is 185 feet East of the Northwest corner of said Block 25 of Gibson Addition; Thence South to the point of beginning.   | Colonia Investment Corporation<br>Box 12127<br>El Paso, TX 79912  | All                 | 0.09         |

(See Item 2 above)

W. H. Pixler  
4211 Monty Drive  
Midland, Texas 79701  
Phone: 915 694-4815

|                       |      |
|-----------------------|------|
| BEFORE EXAMINER NOTED |      |
| Appl.                 | 3    |
| CASE NO.              | 5879 |

CASE NO. 5879

EXHIBIT 3

11 Pages

N $\frac{1}{2}$  Section 12, T22S-R26E: Eddy County, New Mexico

| ITEM<br>No. | DESCRIPTION                    | RECORD OWNER  | MINERAL<br>INTEREST | NET<br>ACRES |
|-------------|--------------------------------|---|---------------------|--------------|
| 4.          | <u>Normandy Plaza Addition</u> |   |                     |              |
|             | Block 1:                       |   |                     |              |
| 4.          | Lot 2                          | Walter G. Foster et ux<br>Dorothy T. Foster<br>1501 W. Ural<br>Carlsbad, NM 88220   | All                 | 0.09         |
| 5.          | Lots 3, 4                      | Minneapolis, Inc. Fowler<br>701 W. Church, Carlsbad, NM   | All                 | 0.10         |
| 6.          | Lots 8, 9                      | Bell Realty Co.<br>(a New Mexico corporation)<br>c/o Ray Bell<br>Box 490<br>Roswell, NM 88201   | All                 | 0.13         |
|             | Block 2:                       |   |                     |              |
| 7.          | Lots 1, 2                      | Clarence Smith, Jr. et ux<br>Geraldine Smith<br>1101 Irvin<br>Carlsbad, NM 88220  | All                 | 0.13         |
| 8           | Lots 3, 4, 5, 6, 7, 8, 9       | Linda C. Skoda<br>P O Box 352<br>Carlsbad, NM 88220   | All                 | 0.36         |
| 9.          | Lot 10                         | Robert E. Good et ux<br>Virginia L. Good<br>1615 W. Tansil<br>Carlsbad, NM 88220  | All                 | 0.05         |
| 10.         | Lots 11, 12                    | Reeves E. Knowlton et ux<br>Eva M. Knowlton<br>1001 N. 6th<br>Carlsbad, NM 88220  | All                 | 0.13         |
|             | Block 3:                       |   |                     |              |
| 11.         | Lot 1                          | James F. Tabor et ux<br>Wilma Tabor<br>408 N. Mesa<br>Carlsbad, NM 88220  | All                 | 0.08         |
| 12.         | Lot 2                          | Colonia Investment Corp.<br>subject to contract of sale<br>in favor of:<br>James F. Tabor et ux<br>Wilma Tabor<br>408 N. Mesa<br>Carlsbad, NM 88220 | All                 | 0.06         |
| 13.         | Lots 3, 4                      | Colonia Investment Corp.<br>(see Item 3)  | All                 | 0.11         |
| 14.         | Lot 5                          | Donald Wayne Wallace and<br>William Wayne Wallace<br>1303 N. Canal<br>Carlsbad, NM 88220  | All                 | 0.08         |

N $\frac{1}{2}$  Section 12, T22S-R26E; Eddy County, New Mexico

| ITEM<br>No.                    | DESCRIPTION                          | RECORD OWNER   | MINERAL<br>INTEREST | NET<br>ACRES |
|--------------------------------|--------------------------------------|--|---------------------|--------------|
| <u>Normandy Plaza Addition</u> |                                      |  |                     |              |
| Block 4:                       |                                      |  |                     |              |
| 15.                            | Lot 1 &<br>E $\frac{1}{2}$ Lot 2     | Colonia Investment Corp.<br>subject to contract of sale<br>in favor of:<br>Carlos C. Lara et ux Rufina,<br>Armando C. Lara et ux Arcenia | All                 | 0.11         |
| 16.                            | W $\frac{1}{2}$ Lot 2,<br>Lots 3,4,5 | Colonia Investment Corp.<br>subject to contract of sale<br>in favor of:<br>Tomas A. Farias   | All                 | 0.22         |
| <u>Normandy Addition</u>       |                                      |  |                     |              |
| Block 1:                       |                                      |  |                     |              |
| 17.                            | Lot 1                                | Robert Sanchez et ux<br>Albinia S. Sanchez<br>912 Irvin<br>Carlsbad, NM 88220  | All                 | 0.19         |
| 18.                            | Lot 19                               | Fernando Soto et ux<br>Manuela S. Soto<br>1515 $\frac{1}{2}$ W. Lea<br>Carlsbad, NM 88220  | All                 | 0.30         |
| 19.                            | Lot 21                               | Will D. Meiers<br>subject to contract of sale<br>in favor of:<br>Tomas Saiz et ux Felix<br>914 W. Irvin<br>Carlsbad, NM 88220            | All                 | 0.27         |
| <u>Arcadia Addition</u>        |                                      |  |                     |              |
| Block 1:                       |                                      |  |                     |              |
| 20.                            | Lot 1                                | Columbus Lewis et ux<br>Clementina Lewis<br>1302 Normandy<br>Carlsbad, NM 88220  | 1/2                 | 0.16         |
| 21.                            | Lot 3:                               | Tommy L. Herchman<br>1304 Normandy<br>Carlsbad, NM 88220   | 1/2                 | 0.11         |
| 22.                            | Lot 5                                | Charles Wesley Lund et ux<br>Mary Lou Lund   | 1/2                 | 0.11         |

N $\frac{1}{2}$  Section 12, T22S-R26E: Eddy County, New Mexico

| ITEM<br>No.             | DESCRIPTION | RECORD OWNER  | MINERAL<br>INTEREST | NET<br>ACRES |
|-------------------------|-------------|---|---------------------|--------------|
| <u>Arcadia Addition</u> |             |   |                     |              |
| Block 1:                |             |   |                     |              |
| 23                      | Lot 7       | R. Q. Ross et ux<br>Claudette B.<br>1308 Normandy<br>Carlsbad, NM 88220                 | 1/2                 | 0.11         |
| 24                      | Lot 9       | Lyndel A. Newsom  | 1/2                 | 0.11         |
| 25                      | Lot 11      | Alfonso G. Castillo<br>et ux Elida B. Castillo<br>1312 Normandy<br>Carlsbad, NM 88220   | 1/2                 | 0.16         |
| Block 2:                |             |   |                     |              |
| 26                      | Lot 1       | Jerry L. Collier et ux<br>Lola F. Collier<br>1402 Normandy<br>Carlsbad, NM 88220        | 1/2                 | 0.17         |
| 27                      | Lot 3       | Lawrence J. Calley et ux<br>Mary Virginia Calley<br>1404 Normandy<br>Carlsbad, NM 88220 | 1/2                 | 0.11         |
| 28                      | Lot 5       | John A. Babich (single)<br>1406 Normandy<br>Carlsbad, NM 88220                          | 1/2                 | 0.11         |
| 29                      | Lot 7       | Pablo L. Dorado et ux<br>Priscilla H. Dorado<br>1408 Normandy<br>Carlsbad, NM 88220     | 1/2                 | 0.11         |
| 30                      | Lot 9       | Wayne C. Van Winkle et ux<br>Earlene Van Winkle<br>1410 Normandy<br>Carlsbad, NM 88220  | 1/2                 | 0.11         |
| 31                      | Lot 11      | John A. Hewett<br><br>1412 Normandy<br>Carlsbad, NM 88220                               | 1/2                 | 0.16         |
| Block 3                 |             |   |                     |              |
| 32                      | Lot 2       | Dee Joplin et ux Evelyn R.<br>705 S. Cypress<br>Carlsbad, NM 88220                      | 1/2                 | 0.24         |
| 33                      | Lot 4       | E. D. Perry et ux Helen B.<br>707 S. Cypress<br>Carlsbad, NM 88220                      | 1/2                 | 0.25         |

N½ Section 12, T22S-R26E; Eddy County, New Mexico

| ITEM<br>No.             | DESCRIPTION | RECORD OWNER  | MINERAL<br>INTEREST | NET<br>ACRES |
|-------------------------|-------------|---|---------------------|--------------|
| <u>Arcadia Addition</u> |             |   |                     |              |
| Block 4:                |             |   |                     |              |
| 34                      | Lot 1       | Antonia A. Guerrero (widow)<br>1401 Normandy<br>Carlsbad, NM 88220                      | 1/2                 | 0.18         |
| 35                      | Lot 3       | Jack Fry et ux Stella M.<br>1403 Normandy<br>Carlsbad, NM 88220                         | 1/2                 | 0.11         |
| 36                      | Lot 5       | Pilar Navarrette, Jr. et ux<br>Petra Navarrette<br>1405 Normandy<br>Carlsbad, NM 88220  | 1/2                 | 0.11         |
| 37                      | Lot 7       | Alton Howse<br><br>1407 Normandy<br>Carlsbad, NM 88220                                  | 1/2                 | 0.11         |
| 38                      | Lot 9       | Howard H. Webster<br><br>1409 Normandy<br>Carlsbad, NM 88220                            | 1/2                 | 0.11         |
| 39                      | Lot 11      | Jack Trice et ux Doris N.<br>1411 Normandy<br>Carlsbad, NM 88220                        | 1/2                 | 0.16         |
| 40                      | Lot 2       | Israel E. Hernandez et ux<br>Juana D. Hernandez<br>1402 Irvin<br>Carlsbad, NM 88220     | 1/2                 | 0.18         |
| 41                      | Lot 4       | Kenneth L. Ramsey<br>1404 Irvin<br>Carlsbad, NM 88220                                   | 1/2                 | 0.11         |
| 42                      | Lot 6       | Luther D. Neece, Jr. et ux<br>Linda Mae   | 1/2                 | 0.11         |
| 43                      | Lot 8       | Willie V. Meadows et ux<br>Beverly I. Meadows<br>1502 Lincoln Dr.<br>Carlsbad, NM 88220 | 1/2                 | 0.11         |
| 44                      | Lot 10      | Augustin Estrada et ux<br>Evangelina Estrada<br>1410 Irvin<br>Carlsbad, NM 88220        | 1/2                 | 0.11         |
| 45                      | Lot 16      | Earl W. Jordan<br>8403 Mettler<br>El Paso, TX 79925                                     | 1/2                 | 0.18         |

N½ Section 12, T22S-R26E: Eddy County, New Mexico

| ITEM<br>No.             | DESCRIPTION | RECORD OWNER   | MINERAL<br>INTEREST | NET<br>ACRES |
|-------------------------|-------------|--|---------------------|--------------|
| <u>Arcadia Addition</u> |             |  |                     |              |
| Block 5:                |             |  |                     |              |
| 45                      | Lot 1       | Billy F. Sadler & Lovenia F.<br>1301 Normandy<br>Carlsbad, NM 88220                  | 1/2                 | 0.16         |
| 46                      | Lot 3       | Charles K. Winn & Catherine<br>1303 Normandy<br>Carlsbad, NM 88220                   | 1/2                 | 0.11         |
| 47                      | Lot 5       | Margaret C. Hagstrom (widow)<br>1305 Normandy<br>Carlsbad, NM 88220                  | 1/2                 | 0.11         |
| 48                      | Lot 7       | Jerry Wayne Aaron et ux<br>Linda R. Aaron  | 1/2                 | 0.11         |
| 49                      | Lot 9       | Eddie D. Razo et ux Margie H.<br>1309 Normandy<br>Carlsbad, NM 88220                 | 1/2                 | 0.11         |
| 50                      | Lot 11      | John W. Allen et ux<br>Peggy Laverne Allen<br>1311 Normandy<br>Carlsbad, NM 88220    | 1/2                 | 0.16         |
| 51                      | Lot 2       | Louis D. Fierro et ux<br>Amelia M. Fierro<br>1302 Irvin<br>Carlsbad, NM 88220        | 1/2                 | 0.16         |
| 52                      | Lot 4       | Thomas Colter, Jr. et ux<br>Mary Ruth Colter<br>1304 Irvin<br>Carlsbad, NM 88220     | 1/2                 | 0.11         |
| 53                      | Lot 6       | Oliver O. Scott et ux<br>Una M. Scott<br>1306 Irvin<br>Carlsbad, NM 88220            | 1/2                 | 0.11         |
| 54                      | Lot 8       | John F. Vaughan & Ruth H.<br>1308 Irvin<br>Carlsbad, NM 88220                        | 1/2                 | 0.11         |
| 55                      | Lot 10      | Thomas B. Cresswell et ux<br>Nellie Jo. Creswell<br>1310 Irvin<br>Carlsbad, NM 88220 | 1/2                 | 0.11         |
| 56                      | Lot 12      | Barbara Ann Baker (single)<br>1312 Irvin<br>Carlsbad, NM 88220                       | 1/2                 | 0.16         |

N $\frac{1}{2}$  Section 12, T22S-R26E: Eddy County, New Mexico

| ITEM<br>No.             | DESCRIPTION | RECORD OWNERS   | MINERAL<br>INTEREST | NET<br>ACRES |
|-------------------------|-------------|---|---------------------|--------------|
| <u>Arcadia Addition</u> |             |   |                     |              |
| Block 6:                |             |   |                     |              |
| 57                      | Lot 1       | Administrator of Veteran's<br>Affairs.  | 1/2                 | 0.16         |
| 58                      | Lot 3       | Harry C. Robertson et ux<br>Norma F. Robertson<br>1303 Irvin<br>Carlsbad, NM 88220                                    | 1/2                 | 0.11         |
| 59                      | Lot 5       | Henry H. Clay et ux<br>Willa Dean Clay<br>1305 Irvin<br>Carlsbad, NM 88220  | 1/2                 | 0.11         |
| 60                      | Lot 7       | Javier S. Chavez et ux<br>Carlotta B. Chavez  | 1/2                 | 0.11         |
| 61                      | Lot 9       | Morris Jones et ux Dorothy H.<br>1309 Irvin<br>Carlsbad, NM 88220   | 1/2                 | 0.11         |
| 62                      | Lot 11      | Serapio B. Munoz et ux Thelma   | 1/2                 | 0.16         |
| 63                      | Lot 2       | Billie R. Seal et ux Lillian C.<br>1302 Alvarado<br>Carlsbad, NM 88220  | 1/2                 | 0.16         |
| 64                      | Lot 4       | Robert Meinzer et ux<br>Helen Marie Neinzer   | 1/2                 | 0.11         |
| 65                      | Lot 6       | Texico Conference Association<br>of Seventh Day Adventists,<br>a corporation<br>707 N. Chestnut<br>Carlsbad, NM 88220 | 1/2                 | 0.11         |
| 66                      | Lot 8       | Earnest W. Holder et ux<br>Jean Holder<br>1308 Alvarado<br>Carlsbad, NM 88220   | 1/2                 | 0.11         |
| 67                      | Lot 10      | Lucio R. Perez et ux Flora T.<br>1310 Alvarado<br>Carlsbad, NM 88220  | 1/2                 | 0.11         |
| Block 7:                |             |   |                     |              |
| 68                      | Lot 1       | Pat E. Briggs et ux Evelyn L.<br>1401 Irvin<br>Carlsbad, NM 88220   | 1/2                 | 0.16         |
| 69                      | Lot 3       | Mt. Sinai United Methodist Church   | 1/2                 | 0.11         |

N $\frac{1}{2}$  Section 12, T22S-R26E: Eddy County, New Mexico

| ITEM<br>No.             | DESCRIPTION | RECORD OWNERS   | MINERAL<br>INTEREST | NET<br>ACRES |
|-------------------------|-------------|---|---------------------|--------------|
| <u>Arcadia Addition</u> |             |   |                     |              |
| Block 7:                |             |   |                     |              |
| 70                      | Lot 5       | Milburn E. Reese et ux<br>Elodia V. Reese<br>1405 Irvin<br>Carlsbad, NM 88220       | 1/2                 | 0.11         |
| 71                      | Lot 7       | Andres R. Balderrama et ux<br>Luz R. Balderrama<br>1407 Irvin<br>Carlsbad, NM 88220 | 1/2                 | 0.11         |
| 72                      | Lot 9       | George Hunt et ux Rose  | 1/2                 | 0.11         |
| 73                      | Lot 11      | Donald Ray Smith et ux<br>Elizabeth Ann Smith<br>1411 Irvin<br>Carlsbad, NM 88220   | 1/2                 | 0.11         |
| 74                      | Lot 13      | Lyle A. Stevens et ux<br>Pearl M. Stevens<br>1413 Irvin<br>Carlsbad, NM 88220       | 1/2                 | 0.11         |
| 75                      | Lot 15      | Olean Ray Williams et ux<br>Jerlean Williams<br>1415 Irvin<br>Carlsbad, NM 88220    | 1/2                 | 0.16         |
| 76                      | Lot 4       | Melvin R. Connell et ux<br>Wilma S. Connell<br>1404 Alvarado<br>Carlsbad, NM 88220  | 1/2                 | 0.11         |
| 77                      | Lot 6       | Charles Flinko et ux Mary<br>1406 Alvarado<br>Carlsbad, NM 88220                    | 1/2                 | 0.11         |
| 78                      | Lot 8       | Chester Miller et ux<br>Lula Mae Miller<br>1408 Alvarado<br>Carlsbad, NM 88220      | 1/2                 | 0.11         |
| 79                      | Lot 10      | Daniel S. Chavez et ux<br>Mary Chavez<br>1410 Alvarado<br>Carlsbad, NM 88220        | 1/2                 | 0.11         |
| 80                      | Lot 14      | Administrator of Veteran's<br>Affairs   | 1/2                 | 0.11         |
| 81                      | Lot 16      | Jerry D. Offutt et ux Judy I.<br>1416 Alvarado<br>Carlsbad, NM 88220                | 1/2                 | 0.16         |



N $\frac{1}{2}$  Section 12, T22S-R26E: Eddy County, New Mexico

| ITEM<br>No.             | DESCRIPTION | RECORD OWNERS  | MINERAL<br>INTEREST | NET<br>ACRES |
|-------------------------|-------------|--|---------------------|--------------|
| <u>Arcadia Addition</u> |             |  |                     |              |
| Block 8:                |             |  |                     |              |
| 82                      | Lot 2       | Juan G. Vasquez et ux Eva<br>801 S. Cypress<br>Carlsbad, NM 88220                        | 1/2                 | 0.16         |
| 83                      | Lot 4       | Alfred J. Haas et ux<br>Frances Haas<br>704 Elma Dr.<br>Carlsbad, NM 88220               | 1/2                 | 0.11         |
| 84                      | Lot 6       | Jerry B. Hensley et ux<br>Nancy L. Hensley<br>805 S. Cypress<br>Carlsbad, NM 88220       | 1/2                 | 0.11         |
| 85                      | Lot 8       | Porfirio R. Leyva et ux<br>Virginia Leyva<br>807 S. Cypress<br>Carlsbad, NM 88220        | 1/2                 | 0.16         |
| Block 9:                |             |  |                     |              |
| 86                      | Lot 2       | John L. Roy et ux<br>Max R. Roy<br>205 W. Riverside Dr<br>Carlsbad, NM 88220             | 1/2                 | 0.16         |
| 87                      | Lot 4       | Donal Roy Boyd et ux<br>Janice Lee Boyd<br>903 S. Cypress<br>Carlsbad, NM 88220          | 1/2                 | 0.11         |
| 88                      | Lot 6       | Haskell League et ux Edith B.<br>905 S. Cypress<br>Carlsbad, NM 88220                    | 1/2                 | 0.11         |
| 89                      | Lot 8       | Administrator of Veteran's<br>Affairs  | 1/2                 | 0.11         |
| 90                      | Lot 10      | Jack R. Fults et ux Lela L.<br>909 S. Cypress<br>Carlsbad, NM 88220                      | 1/2                 | 0.11         |
| 91                      | Lot 12      | George D. Waller et ux<br>Judith Ann Waller<br>911 S. Cypress<br>Carlsbad, NM 88220      | 1/2                 | 0.11         |
| 92                      | Lot 14      | Administrator of Veteran's<br>Affairs  | 1/2                 | 0.16         |
| Block 10:               |             |  |                     |              |
| 93                      | Lot 1       | David B. Nance et ux Kippy<br>1401 Alvarado<br>Carlsbad, NM 88220                        | 1/2                 | 0.16         |
| 94                      | Lot 3       | Gerald D. Polk et ux Betty<br>1403 Alvarado<br>Carlsbad, NM 88220                        | 1/2                 | 0.11         |
| 95                      | Lot 5       | Charles L. Martin et ux<br>Gertrude R. Martin<br>1108 N. Guadalupe<br>Carlsbad, NM 88220 | 1/2                 | 0.11         |

N½ Section 12, T22S-R26E: Eddy County, New Mexico

| ITEM<br>No.             | DESCRIPTION | RECORD OWNERS  | MINERAL<br>INTEREST | NET<br>ACRES |
|-------------------------|-------------|--|---------------------|--------------|
| <u>Arcadia Addition</u> |             |  |                     |              |
| Block 8:                |             |  |                     |              |
| 82                      | Lot 2       | Juan G. Vasquez et ux Eva<br>801 S. Cypress<br>Carlsbad, NM 88220                        | 1/2                 | 0.16         |
| 83                      | Lot 4       | Alfred J. Haas et ux<br>Frances Haas<br>704 Elma Dr.<br>Carlsbad, NM 88220               | 1/2                 | 0.11         |
| 84                      | Lot 6       | Jerry B. Hensley et ux<br>Nancy L. Hensley<br>805 S. Cypress<br>Carlsbad, NM 88220       | 1/2                 | 0.11         |
| 85                      | Lot 8       | Porfirio R. Leyva et ux<br>Virginia Leyva<br>807 S. Cypress<br>Carlsbad, NM 88220        | 1/2                 | 0.16         |
| Block 9:                |             |  |                     |              |
| 86                      | Lot 2       | John L. Roy et ux<br>Max R. Roy<br>205 W. Riverside Dr<br>Carlsbad, NM 88220             | 1/2                 | 0.16         |
| 87                      | Lot 4       | Donal Roy Boyd et ux<br>Janice Lee Boyd<br>903 S. Cypress<br>Carlsbad, NM 88220          | 1/2                 | 0.11         |
| 88                      | Lot 6       | Haskell League et ux Edith B.<br>905 S. Cypress<br>Carlsbad, NM 88220                    | 1/2                 | 0.11         |
| 89                      | Lot 8       | Administrator of Veteran's<br>Affairs  | 1/2                 | 0.11         |
| 90                      | Lot 10      | Jack R. Fults et ux Lela L.<br>909 S. Cypress<br>Carlsbad, NM 88220                      | 1/2                 | 0.11         |
| 91                      | Lot 12      | George D. Waller et ux<br>Judith Ann Waller<br>911 S. Cypress<br>Carlsbad, NM 88220      | 1/2                 | 0.11         |
| 92                      | Lot 14      | Administrator of Veteran's<br>Affairs  | 1/2                 | 0.16         |
| Block 10:               |             |  |                     |              |
| 93                      | Lot 1       | David B. Nance et ux Kippy<br>1401 Alvarado<br>Carlsbad, NM 88220                        | 1/2                 | 0.16         |
| 94                      | Lot 3       | Gerald D. Polk et ux Betty<br>1403 Alvarado<br>Carlsbad, NM 88220                        | 1/2                 | 0.11         |
| 95                      | Lot 5       | Charles L. Martin et ux<br>Gertrude R. Martin<br>1108 N. Guadalupe<br>Carlsbad, NM 88220 | 1/2                 | 0.11         |

N<sup>1</sup>/<sub>2</sub> Section 12, T22S-R26E: Eddy County, New Mexico

| ITEM<br>No.             | DESCRIPTION | RECORD OWNER  | MINERAL<br>INTEREST | NET<br>ACRES |
|-------------------------|-------------|---|---------------------|--------------|
| <u>Arcadia Addition</u> |             |   |                     |              |
| Block 10:               |             |   |                     |              |
| 96                      | Lot 7       | Bobby Lee Landreth et ux<br>Catherine F. Landreth<br>1407 Alvarado<br>Carlsbad, NM 88220                            | 1/2                 | 0.11         |
| 97                      | Lot 9       | Ethel W. Baker (widow)<br>1409 Alvarado<br>Carlsbad, NM 88220   | 1/2                 | 0.11         |
| 98                      | Lot 11      | Daniel D. Burgin et ux<br>Dorothy Jean Burgin<br>1411 Alvarado<br>Carlsbad, NM 88220                                | 1/2                 | 0.11         |
| 99                      | Lot 13      | J. T. Lawless et ux Edna Mae<br>1413 Alvarado<br>Carlsbad, NM 88220   | 1/2                 | 0.11         |
| 100                     | Lot 15      | Estanislado Lara Subia et ux<br>Thelma S. Subia<br>1415 Alvarado<br>Carlsbad, NM 88220                              | 1/2                 | 0.16         |
| 101                     | Lot 2       | Administrator of Veteran's<br>Affairs   | 1/2                 | 0.16         |
| 102                     | Lot 4       | Administrator of Veteran's<br>Affairs   | 1/2                 | 0.11         |
| 103                     | Lot 6       | Administrator of Veteran's<br>Affairs   | 1/2                 | 0.11         |
| 104                     | Lot 8       | Nelson G. Putnam et ux<br>Barbara A. Putman<br>2414 Avenue B<br>Carlsbad, NM 88220                                  | 1/2                 | 0.11         |
| 105                     | Lot 12      | Dan Patrick Nichols et ux<br>Deborah Lee Nichols<br>c/o Pecos Valley Gas Co.<br>3202 S. Canal<br>Carlsbad, NM 88220 | 1/2                 | 0.11         |
| 106                     | Lot 14      | Mike C. Aguilar et ux Esther G.<br>1414 Ortega<br>Carlsbad, NM 88220  | 1/2                 | 0.11         |
| 107                     | Lot 16      | Steve A. Kostiha (single)   | 1/2                 | 0.16         |
| Block 12:               |             |   |                     |              |
| 108                     | Lot 1       | Richard Swafford et ux<br>Stella M. Swafford<br>1401 Ortega<br>Carlsbad, NM 88220                                   | 1/2                 | 0.16         |
| 109                     | Lot 3       | Michael A. Haley et ux<br>Patricia M. Haley<br>Carlsbad, NM 88220   | 1/2                 | 0.11         |
| 110                     | Lot 5       | Cullen Davidson et ux Betty<br>1405 Ortega<br>Carlsbad, NM 88220  | 1/2                 | 0.11         |

N $\frac{1}{2}$  Section 12, T22S-R26E: Eddy County, New Mexico

| ITEM<br>No.                      | DESCRIPTION   | RECORD OWNERS  | MINERAL<br>INTEREST | NET<br>ACRES |
|----------------------------------|---|--|---------------------|--------------|
| <u>Arcadia Addition</u>          |   |  |                     |              |
| Block 12                         |   |  |                     |              |
| 111                              | Lot 7   | Paul Rodriguez et ux<br>Aususena V. Rodriguez<br>1407 Ortega<br>Carlsbad, NM 88220       | 1/2                 | 0.11         |
| 112                              | Lot 9   | Administrator of Veteran's<br>Affairs  | 1/2                 | 0.11         |
| 113                              | Lot 11  | Robert E. Billstrom et ux<br>Marcella Billstrom<br>503 S. Mesquite<br>Carlsbad, NM 88220 | 1/2                 | 0.11         |
| 113                              | Lot 13  | Administrator of Veteran's<br>Affairs  | 1/2                 | 0.11         |
| 114                              | Lot 15  | Houldes O. Wells (single)<br>603 N. 2nd<br>Carlsbad, NM 88220                            | 1/2                 | 0.16         |
| 115                              | Block 11 (not divided into lots)  |  |                     |              |
| 115                              | All   | Arcadia City Park<br>c/o City of Carlsbad<br>City Hall<br>Carlsbad, NM 88220             | 1/2                 | 2.15         |
| Block 13 (not divided into lots) |   |  |                     |              |
| 116                              | All, less the West 185 feet of the North 34 feet<br>R. U. Boyd<br>P O Box 809<br>Carlsbad, NM 88220 |  |                     |              |
|                                  |   |  | 1/2                 | 1.05         |

Total 48.27

March 2, 1977

Mr. Lee B. Voigt  
609 South 6th St.  
Carlsbad, New Mexico 88220

REFERENCE: N/2 Section 12-T22S-R26E  
Eddy County, New Mexico

Dear Mr. Voigt:

Morris R. Antweil is proposing to drill an 11,600-foot Morrow test and dedicate the N/2 of Section 12-T22S-R26E, Eddy County, New Mexico to such well. Mr. Don Blackmar has contacted you in an effort to leave your minerals under this acreage, but you have rejected the offer to lease.

Enclosed is a copy of the New Mexico Oil Conservation Commission hearing docket for 9 March 1977. Your attention is directed to Case No. 5879, which will consider the compulsory pooling of the N/2 of Section 12 for the drilling of the proposed well.

Yours very truly,

MORRIS R. ANTWEIL

R. M. Williams

RMW/crm  
Enclosure

|                             |               |
|-----------------------------|---------------|
| BEFORE EXAMINER NUTTER      |               |
| OIL CONSERVATION COMMISSION |               |
| Appl                        | EXHIBIT NO. 4 |
| CASE NO.                    | 5879          |

CASE NO. 5879

EXHIBIT 4

Morris R. Antweil  
OIL OPERATOR  
P. O. Box 2010  
HOBBS, NEW MEXICO 88240

March 3, 1977

MINERAL INTEREST OWNER

REFERENCE: N/2 Section 12-T22S-R26E  
Eddy County, New Mexico

Enclosed is a copy of the New Mexico Oil Conservation Commission hearing docket for 9 March 1977. Your attention is directed to Case No. 5879, which will consider the compulsory pooling of the N/2 of Section 12 for the drilling of the Antweil No. 1 Mesa Viva as a 11,600-foot Morrow test.

Our records indicate that you hold a small mineral interest in the N/2 of Section 12 which is unleased. We can offer to lease your acreage for a one-year term, pay you a lease bonus of \$150.00 per net acre, and grant a 3/16 royalty. This offer is the same basis that we have been leasing other lands in the area.

If you are interested in leasing your acreage, please contact us and we will prepare an oil and gas lease to cover your acreage and get in touch with you.

BEFORE EXAMINED NUTTER  
OIL CONSERVATION COMMISSION  
Appl. EXHIBIT NO. 5  
CASE NO. 5879

RMW/crm  
Enclosure

Yours very truly,

MORRIS R. ANTWEIL

*R M Williams*

R. M. Williams

CASE NO. 5879

EXHIBIT 5

AFE COST ESTIMATE  
NO. 1 MESA VIVA  
N/2 SEC. 12-22-26

| ITEM   | TANGIBLE  | INTANGIBLE | TOTAL      |
|--|-----------|------------|------------|
| <u>COST TO DRILL 11,600-FOOT TEST</u>            |           |            |            |
| Roads, Location & Damages                        | \$        | \$ 15,000  | \$ 15,000  |
| Footage Drilling-11,600' @ \$11.65/ft.           |           | 135,140    | 135,140    |
| Daywork Operations-4 days @ \$2900/day           |           | 11,600     | 11,600     |
| Mud & Water                                      |           | 25,000     | 25,000     |
| Surface Casing-300' 13-3/8"<br>@ \$15.50/ft.     | 4,650     |            | 4,650      |
| Cement & Service-13-3/8" Casing                  |           | 2,200      | 2,200      |
| Intermediate Casing-2700' 9-5/8"<br>@ \$9.50/ft. | 25,650    |            | 25,650     |
| Cement & Service--9-5/8" Casing                  |           | 7,500      | 7,500      |
| Drill Stem Test Service-2 DST's                  |           | 2,000      | 2,000      |
| Logging Service                                  |           | 17,100     | 17,100     |
| Rental Tools & Equipment                         |           | 4,000      | 4,000      |
| Wellhead & Connections                           | 3,000     |            | 3,000      |
| Supervision & Expense                            |           | 2,500      | 2,500      |
| Transportation & Misc. Labor                     |           | 4,000      | 4,000      |
| Contingencies                                    |           | 25,660     | 25,660     |
| COST TO CASING POINT                             | \$ 33,300 | \$ 251,700 | \$ 285,000 |

COMPLETION COSTS

|  |           |           |            |
|--|-----------|-----------|------------|
| Production Casing-11,600' 5-1/2"<br>@ \$6.75/ft. | \$ 78,300 | \$        | \$ 78,300  |
| Cement & Service-5-1/2" Casing                   |           | 6,000     | 6,000      |
| Daywork-1 day @ \$2800/day                       |           | 2,800     | 2,800      |
| Well Service Unit-10 days                        |           | 7,000     | 7,000      |
| Perforating Service                              |           | 5,000     | 5,000      |
| Tubing-11,400' 2-3/8" N-80<br>@ \$2.35/ft.       | 26,790    |           | 26,790     |
| Rental Tools & Equipment                         |           | 4,000     | 4,000      |
| Acid Treatment                                   |           | 7,000     | 7,000      |
| Wellhead & Connections                           | 8,000     |           | 8,000      |
| Separator-Treater Unit                           | 20,000    |           | 20,000     |
| Supervision & Expenses                           |           | 3,500     | 3,500      |
| Transportation & Misc. Labor                     |           | 5,000     | 5,000      |
| Contingencies                                    |           | 16,610    | 16,610     |
| COMPLETION COST                                  | \$133,090 | \$ 56,910 | \$ 190,000 |

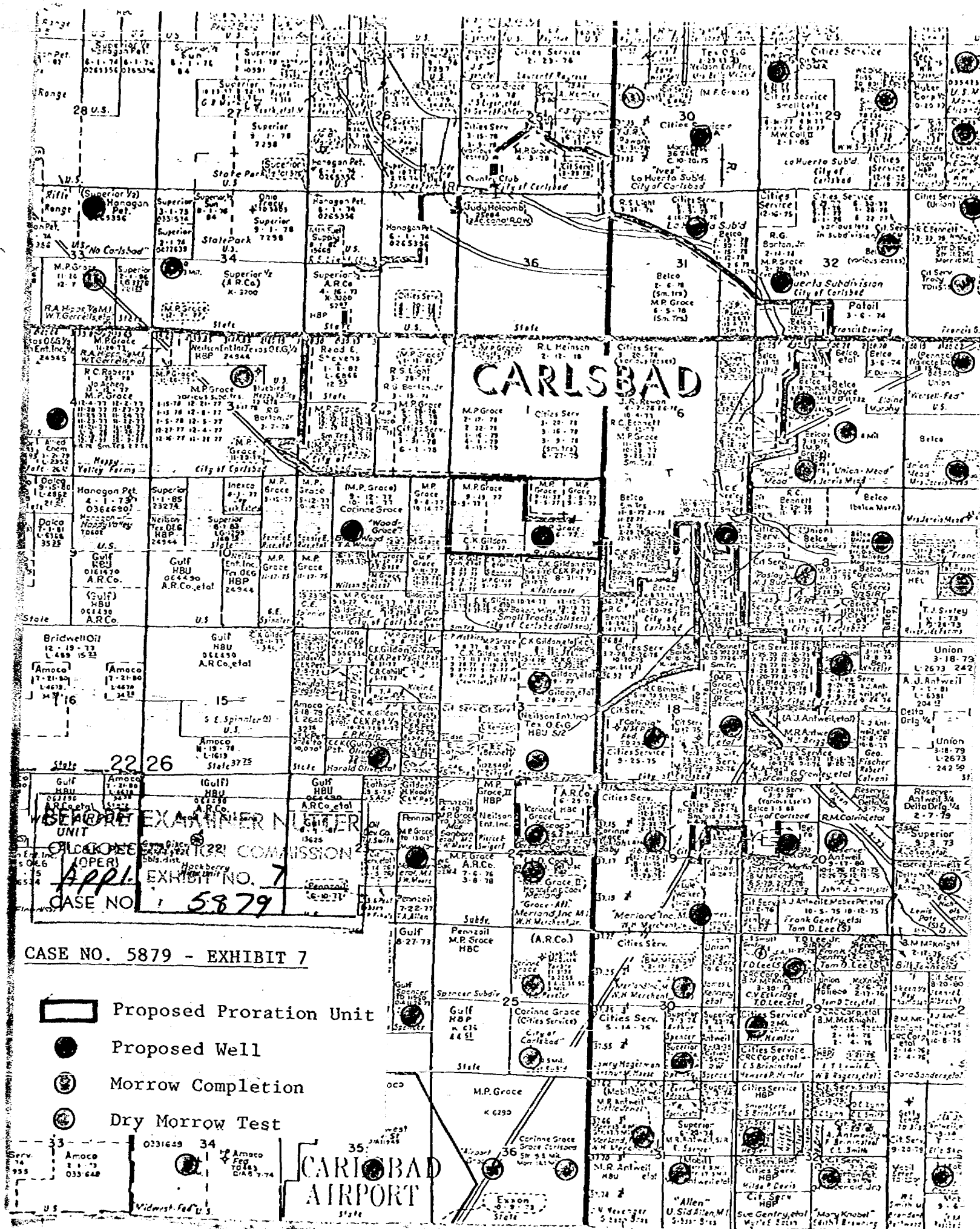
\$166,390

\$ 308,610

\$ 475,000

CASE NO. 5879 - EXHIBIT 6

BEFORE EXAMINER NUTTER  
OIL CONSERVATION COMMISSION  
Appl. EXHIBIT NO. 6  
CASE NO. 5879





# Force Pooling - Risk Factors

|        |                   |      |
|--------|-------------------|------|
| R-4721 | E/2 Sec. 29-21-27 | 50%  |
| R-5306 | W/2 Sec. 30-21-27 | 100% |
| R-5305 | N/2 Sec. 31-21-27 | 200% |
| R-4885 | E/2 Sec. 32-21-27 | 50%  |
| R-4719 | N/2 Sec. 33-21-27 | 140% |
| R-5222 | W/2 Sec. 11-22-26 | 200% |
| R-5332 | N/2 Sec. 13-22-26 | 120% |
| R-4991 | S/2 Sec. 14-22-26 | 150% |
| R-5111 | W/2 Sec. 5-22-27  | 200% |
| R-5209 | E/2 Sec. 7-22-27  | 200% |
| R-4772 | S/2 Sec. 17-22-27 | 150% |
| R-4668 | N/2 Sec. 17-22-27 | 125% |
| R-4866 | E/2 Sec. 18-22-27 | 200% |
| R-5115 | W/2 Sec. 18-22-27 | 200% |
| R-4998 | W/2 Sec. 20-22-27 | 200% |

Case 5879 - Exhibit 8

*request 200%  
chg for supervision  
of overheads:  
daily: 1500/mo  
prod: 225/mo*

BEFORE EXAMINER NUTTER  
OIL CONSERVATION COMMISSION  
*Appl.* EXHIBIT NO. 8  
CASE NO. 5879

Morris R. Antweil  
OIL OPERATOR  
P. O. Box 2010  
HOBBS, NEW MEXICO 88240

February 11, 1977

FEB 14 1977  
NEW MEXICO OIL CONSERVATION COMM.  
HOBBS

New Mexico Oil Conservation Commission  
Box 2088  
Santa Fe, New Mexico 87501  
ATTN: Mr. Joe D. Ramey

Case 5879

RE: Request for Force Pooling Hearing  
N/2 Section 12-T22S-R26E  
Eddy County, New Mexico

Gentlemen:

Morris R. Antweil respectfully requests a hearing to consider the force pooling of the 320 acres, being the N/2 of Section 12-T22S-R26E, N.M.P.M., Eddy County, New Mexico, as to all hydrocarbon production from the Pennsylvanian formation.

The proposed acreage contains a considerable amount of small tracts and town lots making the title search complex. Our present records, which are subject to correction upon completion of a title opinion, indicate the acreage to be held as follows:

|                            | <u>Acres</u> | <u>Percent</u> |
|----------------------------|--------------|----------------|
| Antweil et al              | 279.5        | 87.34          |
| Cities Service Oil Company | 0.5          | 0.16           |
| Unleased Minerals          | 40.0         | 12.50          |
|                            | 320.0        | 100.00         |

Morris R. Antweil proposes to drill an 11,500-foot Morrow test at a standard location in the SW/4 NE/4 of Section 12. Cities Service Oil Company has indicated that they will join, farmout or sell their acreage. The unleased mineral owners have been contacted and will continue to be contacted to obtain leases; however, in view of their reluctance to lease to-date and the possibility of title problems on the small tracts, the applicant requests force pooling to permit the development of his significant acreage holding in the proposed 320-acre unit.

Mr. Joe D. Ramey  
February 11, 1977

3 11 1977  
-2  
NATION COMM.

Morris R. Antweil respectfully requests a hearing be set to consider the compulsory pooling of the N/2 of Section 12-T22S-R26E in accordance with Section 65-3-14, New Mexico Statutes, as amended, as to all hydrocarbon production from the Pennsylvanian formation, the designation of the applicant as operator of the pooled unit, provision for applicant to recover his costs out of production including a charge for risk involved in drilling the proposed well, and provision for administrative overhead expenses.

Respectfully,

MORRIS R. ANTWEIL

*R M Williams*

R. M. Williams

cc: Cities Service Oil Company  
Box 1919  
Midland, Texas 79701  
ATTN: Tom Heller

RMS/ks

DRAFT

dr/

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. 5879

Order No. R- 5397

APPLICATION OF MORRIS R. ANTWEIL  
FOR COMPULSORY POOLING, EDDY COUNTY,  
NEW MEXICO.

*[Handwritten signatures]*

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on March 9, 1977  
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this        day of March, 1977, 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, Morris R. Antweil,  
seeks an order pooling all mineral interests in the Pennsylvanian  
formation underlying the N/2  
of Section 12, Township 22 South, Range 26 East,  
NMPM, South Carlsbad Field, Eddy County, New  
Mexico.

(3) That the applicant has the right to drill and proposes to drill a well at a standard location for said unit.

(4) That there are interest owners in the proposed proration 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 gas 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 150 percent 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 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 \$1500.00 per month should be fixed as a reasonable charge for supervision (combined fixed rates); that the operator should be authorized to withhold from production the proportionate share of such supervision charge attributable to each non-consenting working interest, and in addition thereto, the operator should be authorized to withhold from production the proportionate share of actual expenditures required for operating the subject well, not in excess of what are reasonable, attributable to each non-consenting working interest.

(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.

(13) That upon the failure of the operator of said pooled unit to commence drilling of the well to which said unit is dedicated on or before May 15, 1977, the order pooling said unit should become null and void and of no effect whatsoever.

IT IS THEREFORE ORDERED:

(1) That all mineral interests, whatever they may be, in the Pennsylvanian formation underlying the N/2 of Section 12, Township 22 South, Range 26 East, NMPM, South Carlsbad Field, Eddy County, New Mexico, are hereby pooled to form a standard 320 - acre gas spacing and proration unit to be dedicated to a well to be drilled at a standard location thereon for said unit

PROVIDED HOWEVER, that the operator of said unit shall commence the drilling of said well on or before the 15th day of May, 1977, and shall thereafter continue the drilling of said well with due diligence to a depth sufficient to test the Pennsylvanian formation;

PROVIDED FURTHER, that in the event said operator does not commence the drilling of said well on or before the 15th day of May, 1977, Order (1) of this order shall be null and void and of no effect whatsoever; unless said operator obtains a time extension from the Commission for good cause shown.

PROVIDED FURTHER, that should said well not be drilled to completion, or abandonment, within 120 days after commencement thereof, said operator shall appear before the Commission and show cause why Order (1) of this order should not be rescinded.

(2) That Morris R. Antweil is hereby designated the operator of the subject well and unit.

(3) That after the effective date of this order and within 30 days prior to commencing said well, the operator shall furnish the Commission and each known working interest owner in the subject unit an itemized schedule of estimated well costs.

(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 an itemized schedule of actual well costs within 90 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 45 days following receipt of said schedule, the actual well costs shall be the reasonable well costs; provided however, that if there is an objection to actual well costs within said 45-day period the Commission will determine reasonable well costs after public notice and hearing.

(6) That within 60 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.

(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, 150 percent of the pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not paid his share of estimated well costs within 30 days from the date the schedule of estimated well costs is furnished to him.

(8) That the operator shall distribute said costs and charges withheld from production to the parties who advanced the well costs. (*while drilling and \$275.00 per month while producing*)

(9) That \$1500.00 per month is hereby fixed as a reasonable charge for supervision (combined fixed rates); that the operator is hereby authorized to withhold from production the proportionate share of such supervision charge attributable to each non-consenting working interest, and in addition thereto, the operator is hereby authorized to withhold from production the proportionate share of actual expenditures required for operating such well, not in excess of what are reasonable, attributable to each non-consenting working interest.



-6-

Case No.

Order No. R-

(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 Eddy 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.

(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.