

Case NO.

6554

Application

Transcripts

Small Exhibits

ETC.

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
Oil Conservation Division  
State Land Office Building  
Santa Fe, New Mexico  
23 May 1979

EXAMINER HEARING

IN THE MATTER OF:

Application of The Atlantic Rich- ) CASE  
field Company for compulsory ) 6554  
pooling, Lea County, New Mexico. )

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation Division: Ernest L. Padilla, Esq.  
Legal Counsel for the Division  
State Land Office Bldg.  
Santa Fe, New Mexico 87503

For the Applicant: Conrad Coffield, Esq.  
HINKLE, COX, EATON, COFFIELD,  
& HENSLEY  
Midland, Texas

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CERTIFIED SHORTHAND REPORTER  
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Santa Fe, New Mexico 87501

## I N D E X

## MICHAEL GRIFFIN

Direct Examination by Mr. Coffield 3

## GLENN ZELSNER

Direct Examination by Mr. Coffield 12

Cross Examination by Mr. Stamets 16

Cross Examination by Mr. Padilla 16

## E X H I B I T S

Applicant Exhibit One, Plat 5

Applicant Exhibit Two, 6

Applicant Exhibit Three, A&B, C-101 & C-102 6

Applicant Exhibit Four, Log 10

Applicant Exhibit Five, Agreement 14

Applicant Exhibit Six, List 14

Applicant Exhibit Seven, Log 7

Applicant Exhibit Eight, Log 8

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1 MR. STAMETS: We will call Case 6554.

2 MR. PADILLA: Application of Atlantic  
3 Richfield Company for compulsory pooling, Lea County, New  
4 Mexico.

5 MR. COFFIELD: Conrad Coffield with the  
6 Hinkle Law Firm in Midland, Texas, appearing on behalf of  
7 the applicant. I have two witnesses to be sworn.

8 MR. STAMETS: I'd like to have them both  
9 stand and be sworn at this time, please.

10  
11 (Witnesses sworn.)

12  
13 MICHAEL GRIFFIN  
14 being called as a witness and being duly sworn upon his  
15 oath, testified as follows, to-wit:

16  
17 DIRECT EXAMINATION

18 BY MR. COFFIELD:

19 Q Please state your name, address, occupa-  
20 tion, and employer.

21 A My name is Michael Griffin and I live in  
22 Midland, Texas. My occupation is petroleum engineer and  
23 I'm employed by Atlantic Richfield Company.

24 Q Are you familiar with the application of  
25 Atlantic Richfield in this case?

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1 A. I am.

2 Q. And are you familiar with the property

3 and well location involved?

4 A. I am.

5 Q. Have you previously testified before the

6 Oil Conservation Division as a petroleum engineer?

7 A. Yes, sir, I have.

8 Q. Were your qualifications made a matter of

9 record and accepted by the Division?

10 A. Yes, sir.

11 MR. COFFIELD: Is the witness considered

12 qualified?

13 MR. STAMETS: He is.

14 Q. (Mr. Coffield continuing.) Mr. Griffin,

15 what does Atlantic Richfield seek by this application?

16 A. The Atlantic Richfield Company seeks an

17 order pooling all royalty interests in the Devonian, McKee,

18 and Ellenburger formations underlying the east half of

19 Section 20, Township 22 South, Range 33 -- or 36 East, in

20 the Langlie Field to be dedicated to a well to be drilled

21 1780 from the north line, 660 from the east line of said

22 Section 20.

23 Q. Does the acreage involved in this parti-

24 cular application lie within the Langlie - Ellenburger Gas

25 Pool?

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1 A. No, sir, it does not. It is a northwest  
2 offset to the existing Langlie - Ellenburger Pool, which  
3 at this time consists of the south half of Section --  
4 Section 21 and the north half of Section 28.

5 MR. COFFIELD: Mr. Examiner, we respect-  
6 fully request that we take administrative notice of the  
7 Division's Order R-5754 of June 29, 1978, which was further  
8 amended by Order R-5911, dated February 1, 1979, concerning  
9 establishment of these field rules for the Langlie - Ellen-  
10 burger Gas Pool, and especially the establishment of 320-  
11 acre spacing.

12 MR. STAMETS: The Examiner will take note  
13 of those two orders.

14 Q. Mr. Griffin, please refer to what's been  
15 marked as Exhibit One and explain that exhibit to the  
16 Examiner.

17 A. Exhibit One is a land plat of the Langlie  
18 deep area. The diagonally hatched lines are indicative of  
19 the Langlie deep unit. The horizontally dashed lines are  
20 an outline of the 320-acre proration unit for the proposed  
21 well.

22 Located also within the Langlie deep area  
23 are the three existing wells that have been drilled through  
24 the Ellenburger, and as you'll note, the red is the location  
25 of the proposed Langlie Boren Com No. 1.

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Q All right, Mr. Griffin, refer to what we've marked as Exhibit Two and explain what that reveals.

A Exhibit Two is a copy of the Administrative Order NSL 1000, administratively approving the application for a non-standard location of the Langlie Boren Com No. 1, to be located at 1780 feet from the north line and 660 feet from the east line of Section 20.

Q Okay, go on to Exhibits 3-A and 3-B and explain those to the Examiner.

A Exhibit 3-A is a copy of Form C-101 filed with the State of New Mexico and approved on December 18th, 1978, as an application to drill the subject well.

3-B is a copy of Form C-102, which is a well location acreage dedication plat denoting the location of the proposed well and the 320 acres to be dedicated to the well.

Q Is Atlantic Richfield the owner of the leasehold on the acreage on which the Langlie Greer Com No. 1 was located?

A We do have an undivided working interest in the tract.

Q And then in addition you are the operator?

A Yes, sir, we are the operator of the Langlie deep unit.

Q Okay. Explain Atlantic Richfield's posi-

1 tion in connection with the well and the unit, please,  
2 very briefly.

3 A. Briefly, the Langlie deep unit is an  
4 1840-acre working interest unit and we have been designated  
5 as the operator.

6 Q. Go on to what we've marked as Exhibits  
7 Seven and Eight, first Seven, and explain what this reveals.

8 A. Exhibit Seven is a log of our Langlie  
9 Deep No. 1, which is the -- which is located in the north  
10 half of Section 28. It was drilled as the discovery well  
11 in the Langlie - Ellenburger Field.

12 On it are noted the top of the formations.  
13 From the Abo it's 7848, through the Ellenburger, which has  
14 a top at 15,250 feet.

15 Also marked on the log are the current  
16 perforations in the Ellenburger and the results of the  
17 potential test which was taken in June of 1978, in which  
18 the well flowed 2.7-million cubic feet per day and 211  
19 barrels of condensate in 24 hours.

20 Also note in the McKee we attempted two  
21 drill stem tests, which were both failures as a result of  
22 packer seats; however, log analysis from this zone indicate  
23 that it would be productive.

24 Further take note of the Devonian forma-  
25 tion, which the top is picked at 12,279 feet, in which four --

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1 five DST's were attempted. The one DST of note is DST  
2 Number Six, which was taken from 12,530 feet to 12,610 feet,  
3 and flowed 530 Mcf per day and 10 barrels of condensate  
4 during the flow period.

5 MR. STAMETS: You must have a different  
6 exhibit than I'm looking at or --

7 A. There's a little confusion.

8 MR. STAMETS: That helps. Okay, I'm with  
9 you now.

10 A. Okay.

11 MR. COFFIELD: Do you need some time to  
12 catch up on what you might have missed on that, Mr. Examiner?

13 MR. STAMETS: I'll take a look at it.

14 Okay, you can go ahead.

15 Q. Okay, Mr. Griffin, go on to what we've  
16 marked as Exhibit Eight.

17 A. Exhibit Eight is a neutron density log  
18 of the Langlie Getty Com No. 1, located in the south half  
19 of Section 21. On it are also marked -- denoted the log  
20 tops from the Lower Wolfcamp through the Ellenburger, which  
21 was topped at 15,083 feet.

22 Also marked on the log are results of the  
23 DST which was taken while drilling and denoted are the  
24 completion interval in the Ellenburger with perforations  
25 from 15,157 to 15,358.

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1 Also noted are the potential test of  
2 11-19 -- November, 1978, in which the well flowed 52.3-million  
3 cubic feet and 408 barrels of condensate in 24 hours.

4 MR. STAMETS: Let me get the right log  
5 for once.

6 A Okay.

7 MR. STAMETS: This is not my day for logs.  
8 This is the Langlie - Getty Com?

9 A Right, it should be Exhibit Eight.

10 MR. STAMETS: Okay.

11 A It's marked on the inside.

12 MR. STAMETS: Are you sure?

13 A Somewhere.

14 MR. STAMETS: On the back side. All  
15 right.

16 A Also note the McKee, which has a top  
17 picked at 14,562 feet. Log analysis indicates this sand  
18 is productive; however no drill stem tests have been taken.  
19 A core was taken in the interval which showed the possibility  
20 of production. It's not noted on this log.

21 The third zone we wish to pool is the  
22 Devonian, which has a top at 12,163 feet. On the log are  
23 results of two drill stem tests taken during the drilling  
24 of the well. It also denotes the current Devonian perfor-  
25 ations from 12,532 to 12,617, and the results of a potential

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1 test from February of 1979, showing a calculated absolute  
2 open flow of 30.8-million cubic feet per day and 652 barrels  
3 of condensate in 24 hours.

4 Q Okay, now go to what has been marked as  
5 Exhibit Four and explain to the Examiner what that reveals.

6 A Exhibit Four is a log on the Langlie Greer  
7 Com No. 1, the third well drilled in the area, with the  
8 logs tops marked on it appropriately.

9 Of note, when -- in drilling the well we  
10 encountered a fault at 15,785 feet, which effectively  
11 truncated any section in the Ellenburger. You will see  
12 deeper than that a repeat section in the Simpson and in the  
13 Ellenburger. In the McKee we have a log top picked at  
14 14,810 feet. The well is currently perforated from 14,823  
15 to 15,145. It had a flowing test of 300 Mcf per day, but  
16 is not -- as yet the well has not been completed.

17 Now, the third zone, the Devonian, has a  
18 top at 12,195 feet. On it are results of two DST's taken  
19 while drilling the well. DST Number Two flowed at a rate  
20 of 144 Mcf in 1-1/2 hours, and DST Number Three flowed at  
21 a rate of 280 Mcf and recovered 20 feet of condensate in  
22 1-1/2 hours.

23 Q Mr. Griffin, based on the datum reflected  
24 in these logs that you just discussed, plus your general  
25 geological data and information in the area, is it your

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1 opinion that the three formations in which the forced pooling  
2 is sought are reasonable objective depths for production of  
3 gas and associated hydrocarbons in the well involved?

4 A Yes, sir.

5 MR. COFFIELD: Mr. Examiner, normally  
6 at this time we'd put on testimony with respect to the well  
7 cost, and the like; however, I direct your attention to  
8 the fact that we are seeking to force pool only royalty  
9 interests. I trust you don't want to hear that unnecessary  
10 information.

11 Mr. Griffin, were these exhibits prepared  
12 by you or under your supervision?

13 A They were.

14 MR. COFFIELD: And is that Exhibits One  
15 through Four and Seven and Eight?

16 A Correct.

17 Q And in your opinion will the approval of  
18 this application prevent the drilling of unnecessary wells  
19 and otherwise prevent waste and protect correlative rights?

20 A It will.

21 MR. COFFIELD: Mr. Examiner, I move the  
22 admission of Exhibits One through Four and Seven and Eight.

23 MR. STAMETS: One through Four and Seven  
24 and Eight. What's Seven and Eight?

25 A Seven and Eight are the two logs.

1 MR. STAMETS: These exhibits will be ad-  
2 mitted.

3 MR. COFFIELD: I have no other questions  
4 of this witness on direct examination.

5 MR. STAMETS: Are there questions of the  
6 witness? He may be excused.

7  
8 GLENN ZELLNER

9 Being called as a witness and being duly sworn upon his oath,  
10 testified as follows, to-wit:

11  
12 DIRECT EXAMINATION

13 BY MR. COFFIELD:

14 Q Will you state your name, address, occu-  
15 pation, and employer, please?

16 A Glenn Zellner, Midland, Texas, and I'm  
17 landman with Atlantic Richfield Company.

18 Q Are you familiar with the application of  
19 Atlantic Richfield in this case?

20 A Yes, I am.

21 Q And have you previously testified before  
22 the Division as a petroleum landman?

23 A Yes, I have.

24 Q Were your qualifications a matter of  
25 record and accepted by the Division?

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1 A Yes.  
2  
3 MR. COFFIELD: Is the witness considered  
4 qualified, Mr. Examiner?  
5 MR. STAMETS: He is.  
6 Q Mr. Zellner, are you familiar with the  
7 ownership of the royalty as well as the working interest  
8 in the east half of Section 20, 22 South, 36 East, in Lea  
9 County?  
10 A Yes, I am.  
11 Q How many divided ownership tracts are  
12 there here?  
13 A There are two.  
14 Q And are you familiar with the efforts  
15 which have been made to seek commitment of these interests  
16 in the east half of Section 20 to this particular well?  
17 A Yes, I am.  
18 Q Are all working interests committed?  
19 A Yes, they are.  
20 Q What about the royalty interests?  
21 A Not all of them at this time.  
22 Q And is all acreage within the east half  
23 of Section 20 fee land?  
24 A Yes, it is.  
25 Q Will you describe for the Examiner the  
efforts which have been made to seek the commitment of the

1 interests, royalty interests, and the results which you've  
2 had?

3 A. Okay. I refer to Exhibit Number Five.  
4 In -- in trying to secure approval of the pooling of the  
5 royalty interests in the east half of Section 20 we prepared  
6 a gas pooling agreement and gas unit designation, dated  
7 April 18th, 1979, and a ratification thereto, and included  
8 the agreement and the ratification with a letter to the  
9 royalty owners, dated April 23rd, 1979, and with a letter  
10 to the working interest owners under the same date.

11 In that letter we asked that they ratify  
12 the pooling agreement and gas unit designation and return  
13 to us for ratification.

14 On May 7th we sent a follow-up letter to  
15 the royalty owners asking them to again ratify that pooling  
16 agreement sent under cover of the first letter if they had  
17 not already done so.

18 Then copies of the docket for this hearing  
19 were sent on May 14th, 1979, to all the royalty interest  
20 owners, certified, return receipt requested. All receipts  
21 were returned by May 18th.

22 This date we have had only six unrespon-  
23 sive royalty owners to our requests. They are shown on  
24 Exhibit Six. The first page is a list of the 22 royalty  
25 owners and the second page is a list of those six royalty

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1 owners which as of this time have been unresponsive.

2 Q Were copies of the docket for this parti-  
3 cular hearing mailed to the various royalty owners here?

4 A Yes, it was, on May 14th.

5 Q And were they certified, return receipt  
6 requested?

7 A Yes.

8 Q And what return, rate of return did you  
9 have on your --

10 A All 22 owners returned.

11 Q Do you believe it likely that you will  
12 obtain a voluntary commitment of the remaining outstanding  
13 royalty interest owners?

14 A No, I do not.

15 Q Were Exhibits Five and Six prepared by  
16 you or under your supervision?

17 A Yes, they were.

18 MR. COFFIELD: Move the admission of these  
19 exhibits, Mr. Examiner.

20 MR. STAMETS: These exhibits will be ad-  
21 mitted.

22 MR. COFFIELD: I have no other questions  
23 of this witness.  
24  
25

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CROSS EXAMINATION

BY MR. STAMETS:

Q A couple of questions concerning the un-responsive royalty owners.

The first two listed appear to be trustees. Did they give any explanation of why they could not sign?

A They have not at this point answered or responded to any of the correspondence which has been sent out. I can only conjecture that somewhere it's either hung up in the trust department or they realize that whether or not they respond won't affect their interest in the east half of Section 20.

Q Will it be necessary for them to sign these papers in order for them to receive their share of their royalties?

A Not if our application is approved.

Q Okay.

MR. STAMETS: Any other questions of this witness? Mr. Padilla?

CROSS EXAMINATION

BY MR. PADILLA:

Q Mr. Zellner, did you write the interest owners on May 14th, 1979? Is that your latest correspondence with them or is that your only correspondence with them?

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A. Now --

MR. COFFIELD: Mr. Padilla, if I may, I will advise you of what occurred here.

The dockets were transmitted out of our office on May 14th.

Q I see.

MR. STAMETS: Any other questions?

Q Well, one more. There's an April 23rd, 1979 letter and there is the May 14th, 1979 letter, also, addressed by Mr. Zellner to the royalty owners.

A There's not a -- there's not a May 14th letter to the royalty owners. There's a May 7th letter.

Q May 7th, I'm sorry. Is this the only correspondence that these people have actually received?

A Yes, it is.

Q As to the ratification of your proposal here?

A Yes, it is.

Q It's actually only about two weeks ago, I guess, or maybe a couple of weeks.

A Right; we started a month ago and then a follow-up about two weeks ago.

Q So in fact, I guess, it would seem that this got hung up in a trust department somewhere.

A For those two interests it very well could

1 be, yes.

2 MR. PADILLA: I have no further questions.

3 MR. STAMETS: Any other questions of the  
4 witness? He may be excused.

5 Anything further in this case?

6 MR. COFFIELD: No, sir.

7 MR. STAMETS: The case will be taken  
8 under advisement.

9  
10 (Hearing concluded.)  
11  
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REPORTER'S CERTIFICATE

I, SALLY W. BOYD, a court reporter, DO HEREBY  
 CERTIFY that the foregoing and attached Transcript of  
 Hearing before the Oil Conservation Division was reported  
 by me; that the said transcript is a full, true, and correct  
 record of the hearing, prepared by me to the best of my  
 ability, knowledge, and skill, from my notes taken at the  
 time of the hearing.

Sally W. Boyd CSR  
 Sally W. Boyd, C.S.R.

I do hereby certify that the foregoing is  
 a complete record of the proceedings in  
 the Examiner hearing of Case No. 6554,  
 heard by me on 5-23-1979.  
Richard L. Ham, Examiner  
 Oil Conservation Division

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## I N D E X

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6 Oil Conservation Division as a petroleum engineer?

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1 Q All right, Mr. Griffin, refer to what  
2 we've marked as Exhibit Two and explain what that reveals.

3 A Exhibit Two is a copy of the Administrative  
4 Order NSL 1000, administratively approving the application  
5 for a non-standard location of the Langlie Boren Com No. 1,  
6 to be located at 1720 feet from the north line and 660 feet  
7 from the east line of Section 20.

8 Q Okay, go on to Exhibits 3-A and 3-B and  
9 explain those to the Examiner.

10 A Exhibit 3-A is a copy of Form C-101 filed  
11 with the State of New Mexico and approved on December 18th,  
12 1978, as an application to drill the subject well.

13 3-B is a copy of Form C-102, which is a  
14 well location acreage dedication plat denoting the location  
15 of the proposed well and the 320 acres to be dedicated to  
16 the well.

17 Q Is Atlantic Richfield the owner of the  
18 leasehold on the acreage on which the Langlie Greer Com  
19 No. 1 was located?

20 A We do have an undivided working interest  
21 in the tract.

22 Q And then in addition you are the operator?

23 A Yes, sir, we are the operator of the  
24 Langlie deep unit.

25 Q Okay. Explain Atlantic Richfield's posi-

1 tion in connection with the well and the unit, please,  
2 very briefly.

3 A Briefly, the Langlie deep unit is an  
4 1840-acre working interest unit and we have been designated  
5 as the operator.

6 Q Go on to what we've marked as Exhibits  
7 Seven and Eight, first Seven, and explain what this reveals.

8 A Exhibit Seven is a log of our Langlie  
9 Deep No. 1, which is the -- which is located in the north  
10 half of Section 28. It was drilled as the discovery well  
11 in the Langlie - Ellenburger Field.

12 On it are noted the top of the formations.  
13 From the Abo it's 7848, through the Ellenburger, which has  
14 a top at 15,250 feet.

15 Also marked on the log are the current  
16 perforations in the Ellenburger and the results of the  
17 potential test which was taken in June of 1978, in which  
18 the well flowed 2.7-million cubic feet per day and 211  
19 barrels of condensate in 24 hours.

20 Also note in the McKee we attempted two  
21 drill stem tests, which were both failures as a result of  
22 packer seats; however, log analysis from this zone indicate  
23 that it would be productive.

24 Further take note of the Devonian forma-  
25 tion, which the top is picked at 12,279 feet, in which four --

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1 five DST's were attempted. The one DST of note is DST  
2 Number Six, which was taken from 12,530 feet to 12,610 feet,  
3 and flowed 530 Mcf per day and 10 barrels of condensate  
4 during the flow period.

5 MR. STAMETS: You must have a different  
6 exhibit than I'm looking at or ---

7 A. There's a little confusion.

8 MR. STAMETS: That helps. Okay, I'm with  
9 you now.

10 A. Okay.

11 MR. COFFIELD: Do you need some time to  
12 catch up on what you might have missed on that, Mr. Examiner?

13 MR. STAMETS: I'll take a look at it.  
14 Okay, you can go ahead.

15 Q. Okay, Mr. Griffin, go on to what we've  
16 marked as Exhibit Eight.

17 A. Exhibit Eight is a neutron density log  
18 of the Langlie Getty Com No. 1, located in the south half  
19 of Section 21. On it are also marked --- denoted the log  
20 tops from the Lower Wolfcamp through the Ellenburger, which  
21 was topped at 15,083 feet.

22 Also marked on the log are results of the  
23 DST which was taken while drilling and denoted are the  
24 completion interval in the Ellenburger with perforations  
25 from 15,157 to 15,358.

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Also noted are the potential test of 11-19 --- November, 1976, in which the well flowed 52.3-million cubic feet and 408 barrels of condensate in 24 hours.

MR. STAMETS: Let me get the right log for once.

A Okay.

MR. STAMETS: This is not my day for logs. This is the Langlie - Getty Com?

A Right, it should be Exhibit Eight.

MR. STAMETS: Okay.

A It's marked on the inside.

MR. STAMETS: Are you sure?

A Somewhere.

MR. STAMETS: On the back side. All right.

A Also note the McKee, which has a top picked at 14,562 feet. Log analysis indicates this sand is productive; however no drill stem tests have been taken. A core was taken in the interval which showed the possibility of production. It's not noted on this log.

The third zone we wish to pool is the Devonian, which has a top at 12,163 feet. On the log are results of two drill stem tests taken during the drilling of the well. It also denotes the current Devonian perforations from 12,532 to 12,617, and the results of a potential

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1 test from February of 1970, showing a calculated absolute  
2 open flow of 30.8-million cubic feet per day and 652 barrels  
3 of condensate in 24 hours.

4 Q Okay, now go to what has been marked as  
5 Exhibit Four and explain to the Examiner what that reveals.

6 A Exhibit Four is a log on the Langlie Greer  
7 Com No. 1, the third well drilled in the area, with the  
8 logs tops marked on it appropriately.

9 Of note, when --- in drilling the well we  
10 encountered a fault at 15,785 feet, which effectively  
11 truncated any section in the Ellenburger. You will see  
12 deeper than that a repeat section in the Simpson and in the  
13 Ellenburger. In the McKee we have a log top picked at  
14 14,310 feet. The well is currently perforated from 14,823  
15 to 15,145. It had a flowing test of 300 Mcf per day, but  
16 is not -- as yet the well has not been completed.

17 Now, the third zone, the Devonian, has a  
18 top at 12,195 feet. On it are results of two DST's taken  
19 while drilling the well. DST Number Two flowed at a rate  
20 of 144 Mcf in 1-1/2 hours, and DST Number Three flowed at  
21 a rate of 280 Mcf and recovered 20 feet of condensate in  
22 1-1/2 hours.

23 Q Mr. Griffin, based on the datum reflected  
24 in these logs that you just discussed, plus your general  
25 geological data and information in the area, is it your

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1 opinion that the three formations in which the forced pooling  
2 is sought are reasonable objective depths for production of  
3 gas and associated hydrocarbons in the well involved?

4 A. Yes, sir.

5 MR. COFFIELD: Mr. Examiner, normally  
6 at this time we'd put on testimony with respect to the well  
7 cost, and the like; however, I direct your attention to  
8 the fact that we are seeking to force pool only royalty  
9 interests. I trust you don't want to hear that unnecessary  
10 information.

11 Mr. Griffin, were these exhibits prepared  
12 by you or under your supervision?

13 A. They were.

14 MR. COFFIELD: And is that Exhibits One  
15 through Four and Seven and Eight?

16 A. Correct.

17 Q. And in your opinion will the approval of  
18 this application prevent the drilling of unnecessary wells  
19 and otherwise prevent waste and protect correlative rights?

20 A. It will.

21 MR. COFFIELD: Mr. Examiner, I move the  
22 admission of Exhibits One through Four and Seven and Eight.

23 MR. STAMETS: One through Four and Seven  
24 and Eight. What's Seven and Eight?

25 A. Seven and Eight are the two logs.

1 MR. STAMETS: These exhibits will be ad-  
2 mitted.

3 MR. COFFIELD: I have no other questions  
4 of this witness on direct examination.

5 MR. STAMETS: Are there questions of the  
6 witness? He may be excused.

7  
8 GLENN ZELLNER

9 being called as a witness and being duly sworn upon his oath,  
10 testified as follows, to-wit:

11  
12 DIRECT EXAMINATION

13 BY MR. COFFIELD:

14 Q Will you state your name, address, occu-  
15 pation, and employer, please?

16 A Glenn Zellner, Midland, Texas, and I'm  
17 landman with Atlantic Richfield Company.

18 Q Are you familiar with the application of  
19 Atlantic Richfield in this case?

20 A Yes, I am.

21 Q And have you previously testified before  
22 the Division as a petroleum landman?

23 A Yes, I have.

24 Q Were your qualifications a matter of  
25 record and accepted by the Division?

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1 A Yes.

2 MR. COFFIELD: Is the witness considered  
3 qualified, Mr. Examiner?

4 MR. STAMETS: He is.

5 Q Mr. Zellner, are you familiar with the  
6 ownership of the royalty as well as the working interest  
7 in the east half of Section 20, 22 South, 36 East, in Lea  
8 County?

9 A Yes, I am.

10 Q How many divided ownership tracts are  
11 there here?

12 A There are two.

13 Q And are you familiar with the efforts  
14 which have been made to seek commitment of these interests  
15 in the east half of Section 20 to this particular well?

16 A Yes, I am.

17 Q Are all working interests committed?

18 A Yes, they are.

19 Q What about the royalty interests?

20 A Not all of them at this time.

21 Q And is all acreage within the east half  
22 of Section 20 fee land?

23 A Yes, it is.

24 Q Will you describe for the Examiner the  
25 efforts which have been made to seek the commitment of the

1 interests, royalty interests, and the results which you've  
2 had?

3 A Okay. I refer to Exhibit Number Five.  
4 In -- in trying to secure approval of the pooling of the  
5 royalty interests in the east half of Section 20 we prepared  
6 a gas pooling agreement and gas unit designation, dated  
7 April 18th, 1979, and a ratification thereto, and included  
8 the agreement and the ratification with a letter to the  
9 royalty owners, dated April 23rd, 1979, and with a letter  
10 to the working interest owners under the same date.

11 In that letter we asked that they ratify  
12 the pooling agreement and gas unit designation and return  
13 to us for ratification.

14 On May 7th we sent a follow-up letter to  
15 the royalty owners asking them to again ratify that pooling  
16 agreement sent under cover of the first letter if they had  
17 not already done so.

18 Then copies of the docket for this hearing  
19 were sent on May 14th, 1979, to all the royalty interest  
20 owners, certified, return receipt requested. All receipts  
21 were returned by May 18th.

22 This date we have had only six unrespon-  
23 sive royalty owners to our requests. They are shown on  
24 Exhibit Six. The first page is a list of the 22 royalty  
25 owners and the second page is a list of those six royalty

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1 owners which as of this time have been unresponsive.

2 Q Were copies of the docket for this parti-  
3 cular hearing mailed to the various royalty owners here?

4 A Yes, it was, on May 14th.

5 Q And were they certified, return receipt  
6 requested?

7 A Yes.

8 Q And what return, rate of return did you  
9 have on your --

10 A All 22 owners returned.

11 Q Do you believe it likely that you will  
12 obtain a voluntary commitment of the remaining outstanding  
13 royalty interest owners?

14 A No, I do not.

15 Q Were Exhibits Five and Six prepared by  
16 you or under your supervision?

17 A Yes, they were.

18 MR. COFFIELD: Move the admission of these  
19 exhibits, Mr. Examiner.

20 MR. STAMETS: These exhibits will be ad-  
21 mitted.

22 MR. COFFIELD: I have no other questions  
23 of this witness.  
24  
25

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CROSS EXAMINATION

BY MR. STAMETS:

Q A couple of questions concerning the un-responsive royalty owners.

The first two listed appear to be trustees. Did they give any explanation of why they could not sign?

A. They have not at this point answered or responded to any of the correspondence which has been sent out. I can only conjecture that somewhere it's either hung up in the trust department or they realize that whether or not they respond won't affect their interest in the east half of Section 20.

Q Will it be necessary for them to sign these papers in order for them to receive their share of their royalties?

A. Not if our application is approved.

Q Okay.

MR. STAMETS: Any other questions of this witness? Mr. Padilla?

CROSS EXAMINATION

BY MR. PADILLA:

Q Mr. Zellner, did you write the interest owners on May 14th, 1979? Is that your latest correspondence with them or is that your only correspondence with them?

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A. Now --

MR. COFFIELD: Mr. Padilla, if I may, I will advise you of what occurred here.

The dockets were transmitted out of our office on May 14th.

Q I see.

MR. STAMETS: Any other questions?

Q Well, one more. There's an April 23rd, 1979 letter and there is the May 14th, 1979 letter, also, addressed by Mr. Zellner to the royalty owners.

A. There's not a -- there's not a May 14th letter to the royalty owners. There's a May 7th letter.

Q May 7th, I'm sorry. Is this the only correspondence that these people have actually received?

A. Yes, it is.

Q As to the ratification of your proposal here?

A. Yes, it is.

Q It's actually only about two weeks ago, I guess, or maybe a couple of weeks.

A. Right; we started a month ago and then a follow-up about two weeks ago.

Q So in fact, I guess, it would seem that this got hung up in a trust department somewhere.

A. For those two interests it very well could

1 be, yes.

MR. PADILLA: I have no further questions.

2  
3 MR. STAMETS: Any other questions of the  
4 witness? He may be excused.

5 Anything further in this case?

6 MR. COFFIELD: No, sir.

7 MR. STAMETS: The case will be taken  
8 under advisement.

9  
10 (Hearing concluded.)

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REPORTER'S CERTIFICATE

I, SALLY W. BOYD, a court reporter, DO HEREBY  
 CERTIFY that the foregoing and attached Transcript of  
 Hearing before the Oil Conservation Division was reported  
 by me; that the said transcript is a full, true, and correct  
 record of the hearing, prepared by me to the best of my  
 ability, knowledge, and skill, from my notes taken at the  
 time of the hearing.

Sally W. Boyd, C.S.R.

I do hereby certify that the foregoing is  
 a complete record of the proceedings in  
 the Examiner hearing of Case No. \_\_\_\_\_,  
 heard by me on \_\_\_\_\_, 19\_\_\_\_.

\_\_\_\_\_, Examiner  
 Oil Conservation Division

SALLY WALTON BOYD  
 CERTIFIED SHORTHAND REPORTER  
 3010 Plaza Blanca (SOS) 471-2482  
 Santa Fe, New Mexico 87501





STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

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

CASE NO. 6554  
Order No. R-6024

APPLICATION OF THE ATLANTIC RICHFIELD  
COMPANY FOR COMPULSORY POOLING, LEA  
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on May 23, 1979,  
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 12th day of June, 1979, the Division  
Director, 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 Division has jurisdiction of this cause and the  
subject matter thereof.
- (2) That the applicant, The Atlantic Richfield Company,  
seeks an order pooling all royalty interests in the Devonian,  
McKee, and Ellenburger formations underlying the E/2 of Section  
20, Township 22 South, Range 36 East, NMPM, Langlie Field, Lea  
County, New Mexico.
- (3) That the applicant has the right to drill and proposes  
to drill a well at a standard location thereon.
- (4) That there are royalty 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 field, the subject application should be approved by  
pooling all mineral interests, whatever they may be, within said  
unit.

-2-

Case No. 6554  
Order No. R-6024

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

(7) 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.

(8) 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 September 1, 1979, the order pooling said unit should become null and void and of no effect whatsoever.

IT IS THEREFORE ORDERED:

(1) That all royalty interests, whatever they may be, in the Devonian, McKee and Ellenburger formations underlying the E/2 of Section 20, Township 22 South, Range 36 East, NMPM, Langlie Field, Lea 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.

PROVIDED HOWEVER, that the operator of said unit shall commence the drilling of said well on or before the 1st day of September, 1979, and shall thereafter continue the drilling of said well with due diligence to a depth sufficient to test the Ellenburger formation;

PROVIDED FURTHER, that in the event said operator does not commence the drilling of said well on or before the 1st day of September, 1979, Order (1) of this order shall be null and void and of no effect whatsoever, unless said operator obtains a time extension from the Division for good cause shown.

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

(2) That The Atlantic Richfield Company is hereby designated the operator of the subject well and unit.

(3) That all proceeds from production from the subject well which are not disbursed for any reason shall immediately be placed in escrow in Lea County, New Mexico, to be paid to the true owner thereof upon demand and proof of ownership; that the operator shall notify the Division of the name and address

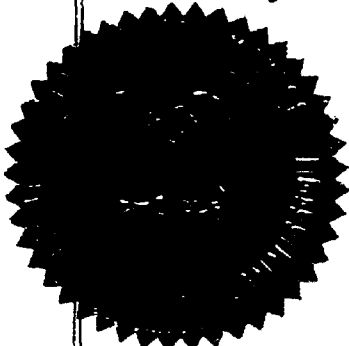
-3-

Case No. 6554  
Order No. R-6024

of said escrow agent within 30 days from the date of first deposit with said escrow agent.

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

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

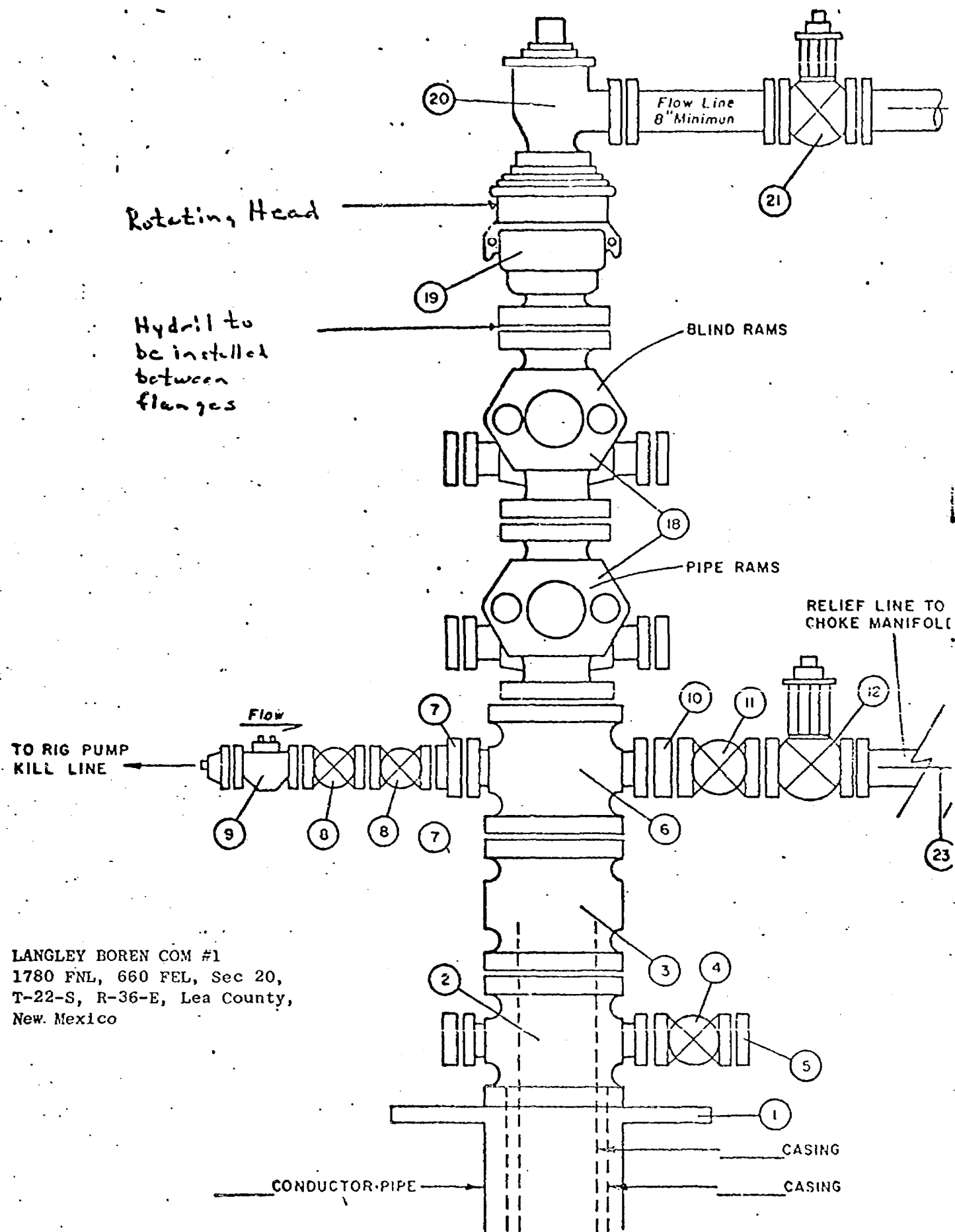


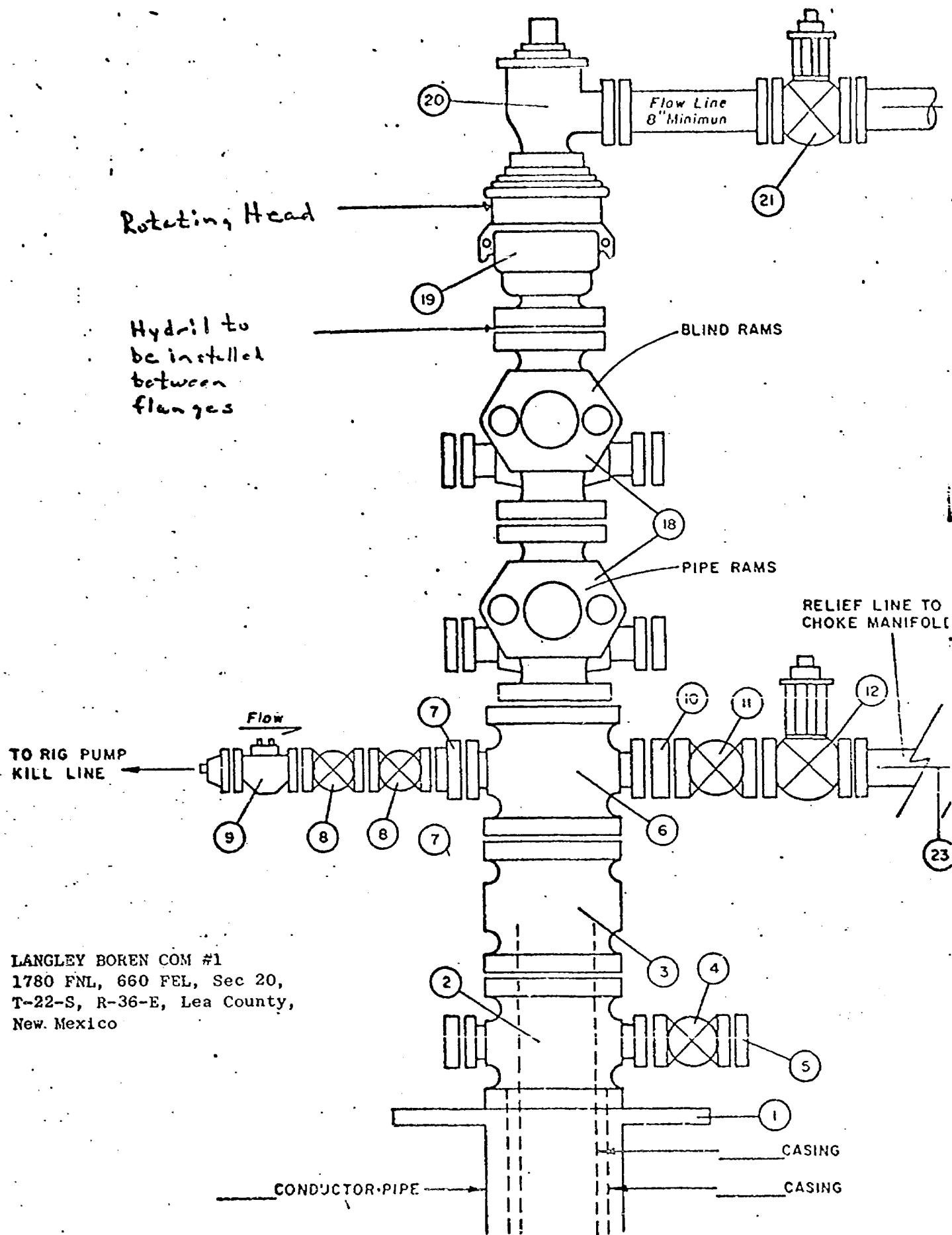
S E A L

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

*Joe D. Ramey*  
JOE D. RAMEY  
Director

fd/







STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

December 4, 1978

JERRY APODACA  
GOVERNOR

NICK FRANKLIN  
SECRETARY

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87501  
15051 827-2434

Atlantic Richfield Company  
P. O. Box 1610  
Midland, Texas 79701

Attention: J. L. Tweed

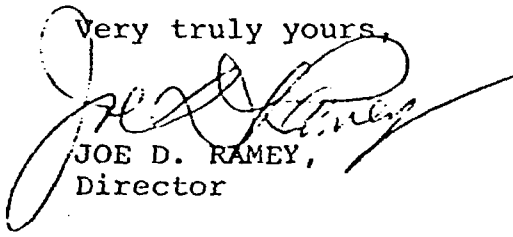
Administrative Order NSL-1000

Gentlemen:

Reference is made to your application for a non-standard location for your Langley Boren Com No. 1 to be located 1780 feet from the North line and 660 feet from the East line of Section 20, Township 22 South, Range 36 East, NMPM, Langley Ellenburger Gas Pool, Lea County, New Mexico.

By authority granted me under the provisions of Rule 104 F of the Division Rules and Regulations, the above-described unorthodox location is hereby approved.

Very truly yours,

  
JOE D. RAMEY,  
Director

JDR/RLS/dr

cc: Oil Conservation Division - Hobbs  
Oil & Gas Engineering Committee - Hobbs  
U. S. Geological Survey - Hobbs

APPROVED	DATE
OIL CONSERVATION DIVISION	2
FILE NO.	6554
Sub. No.	
Hearing Date	

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LAND OFFICE	
OPERATOR	

# NEW MEXICO OIL CONSERVATION COMMISSION

Form C-101  
Revised 1-1-65

30-02526175

5A. Indicate Type of Lease	STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
5. State Oil & Gas Lease No.	
7. Unit Agreement Name	
8. Farm or Lease Name	Langley Boren Com.
9. Well No.	1
10. Field and Prod. or Wildcat	Langley Ellenburger Ga.
12. County	Lea
19. Proposed Depth	15,600'
20. Rotary or C.T.	Rotary
21. Approx. Date Work will start	1-2-79

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1. Type of Work

2. Type of Well

DRILL ☒ DEEPEN ☐ PLUG BACK ☐

OIL WELL ☐ GAS WELL ☒ OTHER ☐ SINGLE ZONE ☐ MULTIPLE ZONE ☒

Name of Operator

Atlantic Richfield Company

Address of Operator

P.O. Box 1710, Hobbs, New Mexico 88240

Location of Well

UNIT LETTER H LOCATED 1780 FEET FROM THE North LINE

RD 660 FEET FROM THE East LINE OF SEC. 20 TWP. 22S RGE. 36E NMPM

1. Elevations (Show whether DI, RI, etc.)

3547.4' GR

21A. Kind & Status Plug. Bond

GCA #8

21B. Drilling Contractor

A. W. Thompson, Inc.

## PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
30"	20" Conductor	Pipe	30'	Redi-Mix	Surf.
17 1/2"	13-3/8" OD	54.5# K-55	1,400'	1185	Circ. to Surf.
12 1/4"	9-5/8" OD	36# K-55&S-80	6,200'	3600	Circ. to Surf.
8-3/4"	7" OD	29# SS95	1,020'		
		26# SS95	3,160'		
		23# SS95	8,160'		
		26# SS95	13,720'		
		29# SS95	15,600'	1125	6000' FS

Drill a development well to the Devonian and Ellenburger Gas zones, complete as a dual Gas/Gas well.

Blowout Preventer Program attached.

3A

6554

DEC 15 1978

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 [Signature] Title Dist. Drlg. Supt. Date 12-15-78

(This space for State Use)

APPROVED BY [Signature] TITLE SUPERVISOR DISTRICT 3 DATE DEC 15 1978

CONDITIONS OF APPROVAL, IF ANY:

Michael  
Hall  
Co-owner

NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

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

All distances must be from the outer boundaries of the Section

Operator Atlantic Richfield Co.		Lease Langley Soren Com.		Well No. 1
Section H	Section 20	Township 22 South	Range 36 East	County Lea
Approximate Location of Well: 1750 feet from the North line and 660 feet from the East line				
Ground Elev. 3547.4	Depth Gas Ellenburger Gas Devonian Gas	Pool Langley Ellenburger Gas	Dedicated Acreage 320 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- 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?

☒ Yes ☐ No If answer is "yes," type of consolidation Communitization

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

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><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>Name <u>John W. West</u></p> <p>Position <u>Dist. Drlg. Supt.</u></p> <p>Company <u>Atlantic Richfield Co.</u></p> <p>Date <u>12-15-78</u></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 <u>December 12, 1978</u></p> <p>Registered Professional Engineer and/or Land Surveyor</p> <p><u>John W. West</u></p> <p>Certificate No. <u>John W. West</u> <u>676</u></p>





STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

December 4, 1978

JERRY APODACA  
GOVERNOR

NICK FRANKLIN  
SECRETARY

POST OFFICE BOX 2000  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87501  
(505) 827-2434

Atlantic Richfield Company  
P. O. Box 1610  
Midland, Texas 79701

Attention: J. L. Tweed

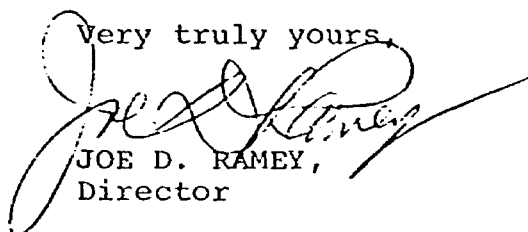
Administrative Order NSL-1000

Gentlemen:

Reference is made to your application for a non-standard location for your Langley Boren Com No. 1 to be located 1780 feet from the North line and 660 feet from the East line of Section 20, Township 22 South, Range 36 East, NMPM, Langley Ellenburger Gas Pool, Lea County, New Mexico.

By authority granted me under the provisions of Rule 104 F of the Division Rules and Regulations, the above-described unorthodox location is hereby approved.

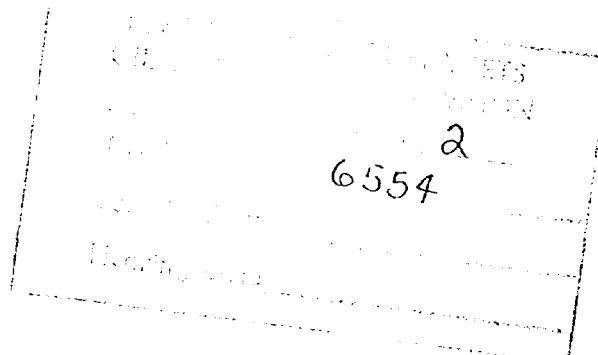
Very truly yours,



JOE D. RAMEY,  
Director

JDR/RLS/dr

cc: Oil Conservation Division - Hobbs  
Oil & Gas Engineering Committee - Hobbs  
U. S. Geological Survey - Hobbs



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SANTA FE	
FILE	
U.S.G.S.	
LAND OFFICE	
OPERATOR	

# NEW MEXICO OIL CONSERVATION COMMISSION

Form C-101  
Revised 1-4-65

30-02526175

5A. Indicate Type of Lease  
STATE ☐ REC ☒

5. State Oil & Gas Lease No.

7. Unit Agreement Name

8. Farm or Lease Name  
Langley Boren Com.

9. Well No.  
1

10. Field and Loc. or Wildcat  
Langley Ellenburger Gas

12. County  
Lea

19. Proposed Depth  
15,600'

20. Rotary or C.T.  
Rotary

21. Drilling Contractor  
A. W. Thompson, Inc.

22. Approx. Date Work will start  
1-2-79

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

a. Type of Work  
DRILL ☒ DEEPEN ☐ PLUG BACK ☐

b. Type of Well  
OIL WELL ☐ GAS WELL ☒ OTHER ☐

1. Name of Operator  
Atlantic Richfield Company

2. Address of Operator  
P.O. Box 1710, Hobbs, New Mexico 88240

3. Location of Well  
UNIT LETTER H LOCATED 1780 FEET FROM THE North LINE  
660 FEET FROM THE East LINE OF SEC. 20 TWP. 22S RGE. 36E NMPM

1. Elevations (Show whether DI, RT, etc.)  
3547.4' GR

21A. Kind & Status Plug. Bond  
GCA #8

## PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
30"	20" Conductor	Pipe	30'	Redi-Mix	Surf.
17 1/2"	13-3/8" OD	54.5# K-55	1,400'	1185	Circ. to Surf.
12 1/4"	9-5/8" OD	36# K-55&S-80	6,200'	3600	Circ. to Surf.
8-3/4"	7" OD	29# SS95	1,020'		
		26# SS95	3,160'		
		23# SS95	8,160'		
		26# SS95	13,720'		
		29# SS95	15,600'	1125	6000' FS

Drill a development well to the Devonian and Ellenburger Gas zones, complete as a dual Gas/Gas well.

Blowout Preventer Program attached.

ELLENBURGER GAS  
DEVONIAN GAS  
3A  
6554  
Hearing Date

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 [Signature] Title Dist. Dir. Supt. Date 12-15-78

(This space for State Use)

APPROVED BY [Signature] TITLE SUPERVISOR DISTRICT 1

CONDITIONS OF APPROVAL, IF ANY:

DEC 19 1978  
M. J. Callan  
Co-owner

DOCUMENTS AND CORRESPONDENCE

1. "Gas Pooling Agreement and Gas Unit Designation" dated April 18, 1979.
2. Ratification
3. Letter to Royalty Owners dated April 23, 1979.
4. Letter to Working Interest Owners dated April 23, 1979.
5. Follow-up letter to Royalty Owners dated May 7, 1979.

BEFORE DRILLING PERMITS OIL COMMISSION DIVISION
FILE NO. <u>5</u>
CASE NO. <u>6551</u>
Submitted by <u>Atlantic Richfield</u>
Hearing Date <u>3/23/79</u>

GAS POOLING AGREEMENT AND GAS UNIT DESIGNATION

THIS AGREEMENT, made and entered into as of the 18th day of April, 1979, by and between ATLANTIC RICHFIELD COMPANY, CONTINENTAL OIL COMPANY, and SUN OIL COMPANY, hereinafter called "Working Interest Owners", and the owners of mineral, royalty and other interests in all or a portion of the following described land situated in Lea County, New Mexico, to-wit:

E/2 Section 20, Township 22 South, Range 36  
East, N.M.P.M., containing 320 acres, more or  
less;

hereinafter referred to as the "Communitized Tract",

WITNESSETH: THAT

WHEREAS, the royalty and mineral interest in said land are subject to one or more of the oil and gas leases, some of which contain a clause authorizing pooling, in segregated tracts of varying ownership, as such leases and tracts are described in Exhibit "A" hereto, which is made a part hereof for all purposes, and Working Interest Owners are the owners of the leases or have the right to share production therefrom by virtue of an existing Operating Agreement; and

WHEREAS, in order to promote conservation and prevent waste, the parties hereto desire to pool and communitize their interests as hereinafter provided.

NOW, THEREFORE, in consideration of the premises and of the mutual benefits accruing to them, the undersigned parties do hereby covenant and agree as follows:

1.

In exercise of the pooling powers granted in the leases specified in Exhibit "A", Working Interest Owners hereby designate the "Communitized Tract", insofar and only insofar as

concerns the Devonian, McKee and Ellenburger formations, as a unit for the production of gas-well gas, as hereinafter defined.

2.

All of the gas-well gas, as hereinafter defined, in, under and that may be produced from and only from the Devonian, McKee and Ellenburger formations of the Communitized Tract is hereby communitized and pooled, and shall hereafter be developed and operated as an entirety as if such Communitized Tract had been originally covered by one oil and gas lease, and any drilling or reworking operation conducted on any well or wells for the production of such minerals and any discovery or production thereof from any well or wells located on any portion of the Communitized Tract regardless of where located thereon, shall be deemed to have been conducted and obtained under the terms of each said lease on lands covered thereby for all purposes except for the allocation of production and the payment of royalties as hereinafter provided in paragraph 3.

The term "gas-well gas" wherever used herein means gas (excluding gas produced from an oil well) in its natural state inclusive of all its constituent elements, including condensate or distillate, produced from a gas well as hereinafter defined. The term "gas well" wherever used herein means a well capable of producing only gas-well gas as herein above defined, or any well classified as a gas well by any governmental authority.

3.

All production of the communitized minerals shall be allocated among the separate tracts comprising the Communitized Tract, as identified in Exhibit "A", in the proportion that the number of surface acres within each tract bears to the number of surface acres included in the entire Communitized Tract, and the production so allocated shall then be divided

and paid to the owners of each such tract on the basis prescribed in each particular lease, agreement, assignment, or conveyance applicable thereto. The provisions hereof shall not have the effect of reducing any shut-in gas well royalty or rental payable in lieu of actual production.

4.

This agreement, when executed by 100% of Working Interest Owners, shall be effective as to the interest of each mineral or royalty owner, or other interest owner executing the same, whether or not executed by all owners of an interest in said land, and the failure or refusal of one or more parties to execute this agreement or otherwise to consent to the pooling sought to be accomplished hereby shall not affect the validity hereof. This agreement shall be effective for as long as the leases set out in Exhibit "A", or any of them, shall remain in effect; provided, however, that Working Interest Owners shall have the right to dissolve the pooling effected hereby by filing for record in the county where the land is located a declaration to that effect, if at that time no operations are being conducted for, or no production is being obtained of, the communitized minerals.

5.

The terms of said leases are hereby amended and modified to conform with the provisions hereof and are ratified and confirmed as valid and subsisting; and, to effectuate the purposes hereof, this instrument shall be deemed to contain all necessary words to make same effective as a conveyance, the provisions hereof to constitute covenants running with the land and leasehold premises and as such to extend to, bind and inure to the benefit of the parties hereto, their heirs, assigns, and successors.

This agreement is prepared in several counterparts and shall bind each party executing a counterpart or any instrument that evidences an intention to be bound by this agreement, whether or not the same writing is signed by all owners of an interest in said land and whether or not all owners enter into this agreement. If any party executing this instrument as a Working Interest Owner is also the owner of a mineral, royalty, overriding royalty, or like interest, such party's full interest of whatsoever kind or character shall be bound hereby.

EXECUTED as of the day and year first above written.

ATLANTIC RICHFIELD COMPANY

BY: C. E. Cardwell Jr. *pub*  
Attorney in Fact

CONTINENTAL OIL COMPANY

BY: \_\_\_\_\_

SUN OIL COMPANY

BY: \_\_\_\_\_

WORKING INTEREST OWNERS

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

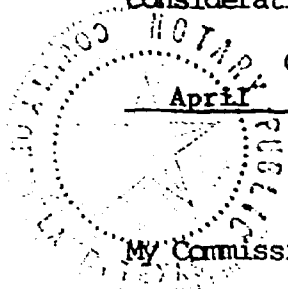
MINERAL, ROYALTY, AND OVERRIDING  
ROYALTY OWNERS

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Add acknowledgments as needed.

THE STATE OF TEXAS   X  
                              X  
COUNTY OF MIDLAND   X

BEFORE ME, the undersigned authority, on this day personally appeared C. E. Cardwell, Jr., Attorney in Fact ~~xxVice Presidentx~~ for ATLANTIC RICHFIELD COMPANY, a corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same as the act and deed of said Atlantic Richfield Company, for the purposes and consideration and in the capacity therein expressed.



GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 23rd day of April, 1979.

Yvonne Brooks  
Notary Public

Yvonne Brooks

My Commission Expires:  
June 30, 1980



EXHIBIT "A"

Attached to and made a part of Gas Pooling Agreement and Gas Unit Designation dated April 18, 1979, between Atlantic Richfield Company and Sun Oil Company, et al, covering the E/2 Section 20, T-22-S, R-36-E, Lea County, New Mexico.

DESCRIPTION OF LANDS AND LEASES COMMITTED

TRACT 1

NE/4 Section 20, T-22-S, R-36-E, N.M.P.M.,  
containing 160 acres, more or less.

LEASE #1:

LESSOR:	Della Bailey Boren et vir, J. M. Boren
LESSEE OF RECORD:	Sun Oil Company
DATE OF LEASE:	June 21, 1927
INTEREST COVERED:	Full
NET ACRES:	160
WORKING INTEREST:	Sun Oil Company - 100%

TRACT 2

SE/4 Section 20, T-22-S, R-36-E, N.M.P.M.,  
containing 160 acres, more or less.

LEASE #2:

LESSOR:	R. H. Venable
LESSEE OF RECORD:	Continental Oil Company
DATE OF LEASE:	June 15, 1964
INTEREST COVERED:	1/64
NET ACRES:	2.5
WORKING INTEREST:	Continental Oil Company - 100%

LEASE #3:

LESSOR:	D. R. Snow
LESSEE OF RECORD:	Continental Oil Company
DATE OF LEASE:	June 30, 1964
INTEREST COVERED:	1/64
NET ACRES:	2.5
WORKING INTEREST:	Continental Oil Company - 100%

LEASE #4:

LESSOR:	The Bradley Producing Corporation
LESSEE OF RECORD:	Continental Oil Company
DATE OF LEASE:	September 24, 1964
INTEREST COVERED:	1/128
NET ACRES:	1.25
WORKING INTEREST:	Continental Oil Company - 100%

LEASE #5:

LESSOR:	Jay Simmons
LESSEE OF RECORD:	Continental Oil Company
DATE OF LEASE:	October 19, 1964
INTEREST COVERED:	1/192
NET ACRES:	.8333
WORKING INTEREST:	Continental Oil Company - 100%

LEASE #6:

LESSOR:	Florence E. Ernst and Manufacturers and Traders Trust Company, Trustee
LESSEE OF RECORD:	Continental Oil Company
DATE OF LEASE:	June 16, 1964
INTEREST COVERED:	85% of 1/16
NET ACRES:	8.5
WORKING INTEREST:	Continental Oil Company - 100%

LEASE #7:

LESSOR:	Texaro Oil Company
LESSEE OF RECORD:	Continental Oil Company
DATE OF LEASE:	August 5, 1964
INTEREST COVERED:	1/128
NET ACRES:	1.25
WORKING INTEREST:	Continental Oil Company - 100%

LEASE #8:

LESSOR: Nathan Kalvin  
LESSEE OF RECORD: Continental Oil Company  
DATE OF LEASE: September 15, 1964  
INTEREST COVERED: 3/128  
NET ACRES: 3.75  
WORKING INTEREST: Continental Oil Company - 100%

LEASE #9:

LESSOR: Grace Healey Greenan  
LESSEE OF RECORD: Continental Oil Company  
DATE OF LEASE: December 9, 1964  
INTEREST COVERED: 15% of 1/16  
NET ACRES: 1.5  
WORKING INTEREST: Continental Oil Company - 100%

NOTE: Leases 2 through 9 are subject to an overriding royalty of 2.4% per assignment dated May 25, 1965 (Book 246, Page 121) from Robert A. Dean et ux, Mary Jane Dean to Guy A. Swartz.

LEASE #10:

LESSOR: Alva N. Etz et ux, Jean W. Etz  
LESSEE OF RECORD: Atlantic Richfield Company  
DATE OF LEASE: May 4, 1977  
INTEREST COVERED: 3/512  
NET ACRES: .9375  
WORKING INTEREST: Atlantic Richfield Company - 100%

LEASE #11:

LESSOR: Robert W. Etz  
LESSEE OF RECORD: Atlantic Richfield Company  
DATE OF LEASE: May 4, 1977  
INTEREST COVERED: 3/512  
NET ACRES: .9375  
WORKING INTEREST: Atlantic Richfield Company - 100%

LEASE #12:

LESSOR: George H. Etz, Jr., Trustee  
LESSEE OF RECORD: Atlantic Richfield Company  
DATE OF LEASE: May 4, 1977  
INTEREST COVERED: 3/256  
NET ACRES: 1.875  
WORKING INTEREST: Atlantic Richfield Company - 100%

LEASE #13:

LESSOR: W. L. Pickens et ux, Ruth Pickens  
LESSEE OF RECORD: Atlantic Richfield Company  
DATE OF LEASE: May 7, 1977  
INTEREST COVERED: 1/32  
NET ACRES: 5.0  
WORKING INTEREST: Atlantic Richfield Company - 100%

LEASE #14:

LESSOR: Lucy P. Owings, Individually and  
Lucy P. Owings and Hamilton Rogers  
as Ancillary Personal Representa-  
tive of the Estate of Roger B.  
Owings, deceased.  
LESSEE OF RECORD: Atlantic Richfield Company  
DATE OF LEASE: May 19, 1977  
INTEREST COVERED: 1/128  
NET ACRES: 1.25  
WORKING INTEREST: Atlantic Richfield Company - 100%

LEASE #15

LESSOR: John H. Wilson et ux Henriette  
Wilson  
LESSEE OF RECORD: Atlantic Richfield Company  
DATE OF LEASE: June 10, 1977  
INTEREST COVERED: 1/64  
NET ACRES: 2.5  
WORKING INTEREST: Atlantic Richfield Company - 100%

LEASE #16:

LESSOR: First National Bank of Fort Worth,  
Trustee for Charles J. Hoffman

LESSEE OF RECORD: Atlantic Richfield Company

DATE OF LEASE: May 16, 1977

INTEREST COVERED: 1/128

NET ACRES: 1.25

WORKING INTEREST: Atlantic Richfield Company - 100%

NOTE: Leases 10 through 16 are limited as to depths below  
3940 feet below the surface of the ground.

UNLEASED MINERAL INTERESTS - TRACT 2

a) OWNER: First National Bank of Santa Fe,  
Trustee

INTEREST: 1/16

NET ACRES: 10

b) OWNER: Max W. Coll, II

INTEREST: 3/512

NET ACRES: .9375

c) OWNER: James N. Coll

INTEREST: 3/512

NET ACRES: .9375

d) OWNER: Charles H. Coll

INTEREST: 3/512

NET ACRES: .9375

e) OWNER: Jon F. Coll

INTEREST: 3/512

NET ACRES: .9375

f) OWNER: John H. Healey et ux, Rose Marie  
Healey

INTEREST: 1/16

NET ACRES: 10

g) OWNER: Dalport Oil Corporation  
INTEREST: 1/192  
NET ACRES: .8333

h) OWNER: Atlantic Richfield Company  
INTEREST: 239/384  
NET ACRES: 99.5833

NOTE: All of the above Mineral Interest have been committed to the Langley Deep Unit, covering among other lands the SE/4 Section 20, T-22-S, R-36-E, Lea County, New Mexico. By virtue of the Langley Deep Unit Operating Agreement dated September 1, 1977, each unleased mineral interest is subject to Paragraph 3 therein, providing that any unleased mineral interest be treated as leased under the terms of the form of lease attached to the Operating Agreement as Exhibit "B". Said lease form does not contain pooling provisions.

RECAPITULATION

<u>Tract Number</u>	<u>No. of Acres Communitized</u>	<u>Percentage Interest in Communitized Area</u>
1	160	50%
2	160	50%

WORKING INTEREST OWNERSHIP:

<u>Tract</u>	<u>Company</u>	<u>Net Acres in Communitized Area</u>	<u>Percentage Interest in Communitized Area</u>
1	Sun Oil Company	160.0000	50.0000%
2	Atlantic Richfield Company	113.3333	35.4166%
2	Continental Oil Company	22.0833	6.9010%
2	First National Bank of Santa Fe, Trustee	10.0000	3.1250%
2	John Healey, et ux	10.0000	3.1250%
2	Max Coll, II	.9375	.2930%
2	James N. Coll	.9375	.2930%
2	Charles H. Coll	.9375	.2930%
2	Jon F. Coll	.9375	.2930%
2	Dalport Oil Corporation	.8334	.2604%
		320.0000	100.0000%

SUN OIL COMPANY

TRACT 1

160 acres

E/2 Section 20,  
Township 22 South,  
Range 36 East, N.M.P.M.

ATLANTIC RICHFIELD COMPANY,  
CONTINENTAL OIL COMPANY,  
ET AL

TRACT 2

160 acres

EXHIBIT "A"

GAS POOLING AGREEMENT AND GAS UNIT DESIGNATION

DATED: APRIL 18, 1979

OPERATOR: ATLANTIC RICHFIELD COMPANY

LEA COUNTY, NEW MEXICO

RATIFICATION OF GAS POOLING  
AGREEMENT AND GAS UNIT DESIGNATION

Each undersigned owner of a working interest, mineral,  
royalty or other interest in the following described land situated  
in Lea County, New Mexico, to-wit:

E/2 Section 20, Township 22 South, Range 36  
East, N.M.P.M., containing 320 acres, more  
or less;

does hereby acknowledge receipt of a copy of instrument entitled  
"Gas Pooling Agreement and Gas Unit Designation" dated as of  
April 18, 1979, designating the above described land as a unit  
for the production of gas-well gas insofar and only insofar as  
concerns the Devonian, McKee and Ellenburger formations, and does  
hereby ratify, adopt and approve the same.

EXECUTED this \_\_\_\_\_ day of \_\_\_\_\_, 1979.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



New Mexico  
ACKNOWLEDGMENT

(PERSONAL ACKNOWLEDGMENT)

STATE OF \_\_\_\_\_ } ss:  
COUNTY OF \_\_\_\_\_ }

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, by

My commission expires: \_\_\_\_\_ Notary Public

(PERSONAL ACKNOWLEDGMENT)

STATE OF \_\_\_\_\_ } ss:  
COUNTY OF \_\_\_\_\_ }

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, by

My commission expires: \_\_\_\_\_ Notary Public

(PERSONAL ACKNOWLEDGMENT)

STATE OF \_\_\_\_\_ } ss:  
COUNTY OF \_\_\_\_\_ }

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, by

My commission expires: \_\_\_\_\_ Notary Public

(ACKNOWLEDGMENT BY ATTORNEY)

STATE OF \_\_\_\_\_ } ss:  
COUNTY OF \_\_\_\_\_ }

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, by  
\_\_\_\_\_ as attorney-in-fact in behalf of

My commission expires: \_\_\_\_\_ Notary Public

(ACKNOWLEDGMENT BY CORPORATION)

STATE OF \_\_\_\_\_ } ss:  
COUNTY OF \_\_\_\_\_ }

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, by  
\_\_\_\_\_ of \_\_\_\_\_  
(NAME) (TITLE) (CORPORATION)  
\_\_\_\_\_ corporation, on behalf of said corporation.

My commission expires: \_\_\_\_\_ Notary Public

(ACKNOWLEDGMENT BY CORPORATION)

STATE OF \_\_\_\_\_ } ss:  
COUNTY OF \_\_\_\_\_ }

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, by  
\_\_\_\_\_ of \_\_\_\_\_  
(NAME) (TITLE) (CORPORATION)  
\_\_\_\_\_ corporation, on behalf of said corporation.

My commission expires: \_\_\_\_\_ Notary Public

DEFORM	6
CHECK	
CASE NO.	6557
SUBJECT	Atlantic Richfield
HEARING DATE	5/23/79

Royalty Owners  
E/2 Section 20  
Township 22 South, Range 36 East  
Lea County, New Mexico

Robert Allen Venable, Trustee  
under Last Will & Testament of  
R. H. Venable, deceased  
2711 Mercantile Bank Building  
Dallas, Texas 75201

Oil Finders, Inc.  
320 S. Boston, Suite 2000  
Tulsa, Oklahoma 74103

The Bradley Resources Corp.  
313 N. Main Street  
Wellsville, New York 14895

Florence E. Ernst and  
Manufacturers and Traders  
Trust Company, Trustees,  
and Mary Hurley Healey, a widow  
c/o Trust Department  
One M&T Plaza  
Buffalo, New York 14240

Texaro Oil Company  
801 Preston State Bank Building  
Dallas, Texas 75225

Buford I. King, Trustee  
c/o Petroleum Department  
First National Bank of Ft. Worth  
P. O. Box 2260  
Fort Worth, Texas 76101

Alva N. Etz, II and Jean W. Etz,  
his wife, as joint tenants  
4005 W. Elm Street  
Phoenix, Arizona 85019

Robert W. Etz,  
Separate Property  
P. O. Box 1992  
Roswell, New Mexico 88201

Alva N. Etz, II  
Separate Property  
4005 W. Elm Street  
Phoenix, Arizona 85019

George H. Etz, Jr., Trustee  
of George H. Etz, Sr. Trust  
2003 - 17th Street  
Lubbock, Texas 79401

W. L. Pickens and wife,  
Ruth Pickens  
800 Preston Bank Building  
Dallas, Texas 75225

Lucy P. Owings and Heirs or  
Devises of Robert B. Owings, Dec'd.  
1504 Oil & Gas Building  
Fort Worth, Texas 76102

Lucy P. Owings, separate property  
1504 Oil & Gas Building  
Fort Worth, Texas 76102

John H. Wilson et ux Harriette Wilson  
1212 W. El Paso Street  
Fort Worth, Texas 76102

The First National Bank of Fort Worth,  
Trustee for Charles J. Hoffman  
P. O. Box 2546  
Fort Worth, Texas 76101

Jay Simmons et ux Margaret Simmons  
2620 Republic Bank  
Dallas, Texas 75201

Betty Simmons Regard  
2620 Republic Bank  
Dallas, Texas 75201

Margaret Pillet Simmons  
2620 Republic Bank  
Dallas, Texas 75201

Suzanne Simmons Bartolucci  
2620 Republic Bank  
Dallas, Texas 75201

Guy A. Swartz et ux Donna Swartz  
2807 Tanglewood  
San Angelo, Texas 76901

Ethel B. Kellough  
5806 S. Wheeling  
Tulsa, Oklahoma 74105

Eleanor H. Greenan or Grace Healey Greenan  
c/o New York Trust Co.  
ATTENTION: Oil Unit  
45 Wall Street  
New York, New York 10005

UNRESPONSIVE ROYALTY OWNERS:

Florence E. Ernst and  
Manufacturers and Traders  
Trust Company, Trustees,  
and Mary Hurley Healey, a widow  
c/o Trust Department  
One M&T Plaza  
Buffalo, New York 14240

Buford I. King, Trustee  
c/o Petroleum Department  
First National Bank of Ft. Worth  
P.O. Box 2260  
Fort Worth, Texas 76101

Alva N. Etz, II  
Separate Property  
4005 W. Elm Street  
Phoenix, Arizona 85019

Lucy P. Owings and Heirs or  
Devisees of Robert B. Owings, Dec'd.  
1504 Oil & Gas Building  
Fort Worth, Texas 76102

Ethel B. Kellough  
5806 S. Wheeling  
Tulsa, Oklahoma 74105

Eleanor H. Greenan or  
Grace Healey Greenan  
c/o New York Trust Co.  
ATTENTION: Oil Unit  
45 Wall Street  
New York, New York 10005

ARCO Oil and Gas Company  
Permian District  
Post Office Box 1010  
Midland, Texas 79702  
Telephone 915 684 0130  
Curt Krehbiel  
District Landman



April 23, 1979

TO ALL ROYALTY INTEREST OWNERS

Subject: Langley Deep Working Interest Unit  
Langley-Boren Com No. 1 Well  
E/2 Section 20, T-22-S, R-36-E,  
Lea County, New Mexico

Dear Royalty Owners:

ARCO Oil and Gas Company, as operator of the Langley Deep Working Interest Unit has proposed to the working interest owners thereunder the drilling of a fourth unit well to be located in the E/2 of Section 20, T-22-S, R-36-E, Lea County. To date we have had good success with the prior three unit wells, the first and second having been completed in the Ellenburger formation and the third undergoing completion in the Devonian formation.

The New Mexico Oil Conservation Commission, in the interest of conservation, to avoid waste, and to prevent the drilling of unnecessary wells, designates 320-acre spacing for the drilling of wells to the Ellenburger, Devonian, and McKee formations, all possible producing horizons for the subject well, for the production of gas. Due to insufficient pooling powers in the leases committed to the Langley Deep Working Interest Unit underlying the E/2 Section 20 and to comply with the above mentioned spacing policy, ARCO Oil and Gas Company, as operator of the Unit, has prepared a "Gas Pooling Agreement and Gas Unit Designation". The purpose of that Agreement is to pool the gas rights in the Ellenburger, Devonian, and McKee formations and to allow the pooling of royalty throughout the E/2 of Section 20.

The effect of pooling the royalty will be that all royalty owners under the pooled 320 acres will share on an acreage basis the royalty accruing therein irrespective of the location of the captioned well. The process by which royalty proceeds will be distributed among the royalty owners is explained at the bottom of page two, Article 3 of the "Gas Pooling Agreement and Gas Unit Designation" which is enclosed herewith.

Royalty Interest Owners  
Langley-Boren Com No. 1 Well  
Page 2

Also find herewith four (4) copies of the "Ratification of Gas Pooling Agreement and Gas Unit Designation". Please sign, acknowledge, and return three (3) copies of said Ratification. The Gas Pooling Agreement and Gas Unit Designation, along with the remaining Ratification, is for your files.

Please note that attached to each Ratification is an acknowledgment page which must be notarized. Instructions for execution and acknowledgment of instruments for New Mexico properties is enclosed for your information, as is a stamped self-addressed envelope for your convenience.

If you should have any questions, please feel free to call me collect at (915) 684-0132.

Cordially submitted,



GLENN A. ZELLNER  
LAND DEPARTMENT

GAZ:bk

Enclosures: Agreement  
Ratification (4)  
Instructions  
Envelope

Robert Allen Venable, Trustee  
under Last Will & Testament of  
R. H. Venable, deceased  
2711 Mercantile Bank Building  
Dallas, Texas 75201

Oil Finders, Inc.  
320 S. Boston, Suite 2000  
Tulsa, Oklahoma 74103

The Bradley Producing Corp.  
313 N. Main Street  
Wellsville, New York 14895

Florence E. Ernst and  
Manufacturers and Traders  
Trust Company, Trustees,  
and Mary Hurley Healey, a widow  
c/o Trust Department  
One M&T Plaza  
Buffalo, New York 14240

Texaro Oil Company  
801 Preston State Bank Building  
Dallas, Texas 75225

Buford I. King, Trustee  
c/o Petroleum Department  
First National Bank of Ft. Worth  
P. O. Box 2260  
Fort Worth, Texas 76101

Alva N. Etz, II and Jean W. Etz,  
his wife, as joint tenants  
4005 W. Elm Street  
Phoenix, Arizona 85019

Robert W. Etz,  
Separate Property  
P. O. Box 1992  
Roswell, New Mexico 88201

Alva N. Etz, II  
Separate Property  
4005 W. Elm Street  
Phoenix, Arizona 85019

George H. Etz, Jr., Trustee  
of George H. Etz, Sr. Trust  
2003 - 17th Street  
Lubbock, Texas 79401

W. L. Pickens and wife,  
Ruth Pickens  
800 Preston Bank Building  
Dallas, Texas 75225

Lucy P. Owings and Heirs or  
Devises of Robert B. Owings, Dec'd.  
1504 Oil & Gas Building  
Fort Worth, Texas 76102

Lucy P. Owings, separate property  
1504 Oil & Gas Building  
Fort Worth, Texas 76102

John H. Wilson et ux Harriette Wilson  
1212 W. El Paso Street  
Fort Worth, Texas 76102

The First National Bank of Fort Worth,  
Trustee for Charles J. Hoffman  
P. O. Box 2546  
Fort Worth, Texas 76101

Jay Simmons et ux Margaret Simmons  
2620 Republic Bank  
Dallas, Texas 75201

Betty Simmons Regard  
2620 Republic Bank  
Dallas, Texas 75201

Margaret Pillet Simmons  
2620 Republic Bank  
Dallas, Texas 75201

Suzanne Simmons Bartolucci  
2620 Republic Bank  
Dallas, Texas 75201

Guy A. Swartz et ux Donna Swartz  
2807 Tanglewood  
San Angelo, Texas 76901

Ethel B. Kellough  
5806 S. Wheeling  
Tulsa, Oklahoma 74105

Eleanor H. Greenan or Grace Healey Greenan  
c/o New York Trust Co.  
ATTENTION: Oil Unit  
45 Wall Street  
New York, New York 10005

ARCO Oil and Gas Company  
Permian District  
Post Office Box 1610  
Midland, Texas 79702  
Telephone 915 684 0130  
Curt Krehbiel  
District Landman



April 23, 1979

ADDRESS LIST ATTACHED

Subject: Ratification of Gas Pooling Agreement  
and Gas Unit Designation  
Langley Deep Working Interest Unit  
Langley-Boren Com No. 1  
E/2 Section 20, T-22-S, R-36-E,  
Lea County, New Mexico

ARCO Oil and Gas Company, as operator of the referenced working interest unit, is presently drilling the fourth unit well, the Langley-Boren Com No. 1 located 1780' FNL and 660' FEL Section 20, T-22-S, R-36-E. The well was spudded March 30, 1979. The acreage dedicated to this test is to be the E/2 Section 20, 320 acres.

The leases being committed to this well by Sun Oil Company, Continental Oil Company, and Atlantic Richfield contain insufficient provisions for pooling a 320 acre gas proration unit, therefore mailed this date to all Royalty Interest Owners under said leases was a "Gas Pooling Agreement and Gas Unit Designation" and corresponding Ratification. These Royalty Owners have been requested to execute such Ratifications in order to empower the Working Interest Owners to pool their leases in the E/2 Section 20 and to allocate royalty on an acreage basis.

Certain unleased mineral interests committed to the Langley-Deep Working Interest Unit are also contained in the Langley-Boren spacing unit and are to be treated as leased pursuant to the terms of the Unit Operating Agreement dated September 22, 1977. Therefore, we hereby request that those owners of unleased minerals execute along with the Working Interest Owners the enclosed Ratifications.


Find herewith for your files one copy of said "Gas Pooling Agreement and Gas Unit Designation" executed on behalf of Atlantic Richfield Company. Also enclosed are four (4) copies of the corresponding Ratifications to that instrument. Please execute, acknowledge, and return three (3) copies of the Ratification. Your prompt attention is required and will be greatly appreciated.

As was the procedure for the second and third unit wells ARCO will initiate a Force Pooling Action to pool the royalty interests under the E/2 Section 20 with the New Mexico Oil Conservation Commission probably in late May. Later correspondence will update you with respect to the date and outcome of that hearing.

Langley-Boren Com No. 1  
Page 2

Again I ask that you expedite the handling of this matter due to the time frame within which we need to set the hearing and the drilling status of the Langley Boren Com No. 1.

Yours very truly,



GLENN A. ZELLNER  
LAND DEPARTMENT

GAZ:bk

Enclosures



Sun Oil Company  
Box 2880  
Dallas, Texas 75221

Continental Oil Company  
Attention: L. P. Thompson  
P. O. Box 460  
Hobbs, New Mexico 88240

First National Bank of Santa Fe, Trustee  
for Lamar Lunt Trust  
P. O. Box 609  
Santa Fe, New Mexico 87501

John H. Healey  
P. O. Box 1901  
Midland, Texas 79702

Dalport Oil Corporation  
3471 First National Bank Building  
Dallas, Texas 75202

Max W. Coll, II  
Box 818  
Roswell, New Mexico 88201

James N. Coll  
Box 818  
Roswell, New Mexico 88201

Jon F. Coll  
Box 818  
Roswell, New Mexico 88201

Charles H. Coll  
Box 818  
Roswell, New Mexico 88201

ARCO Oil and Gas Company  
Permian District  
Post Office Box 1610  
Midland, Texas 79702  
Telephone 915 684 0130  
Curt Krehbiel  
District Landman



May 7, 1979

TO ALL ROYALTY INTEREST OWNERS

Subject: Ratification of Gas Pooling Agreement  
and Gas Unit Designation  
Langley Deep Working Interest Unit  
Langley-Boren Com No. 1 Well  
E/2 Section 20, T-22S, R-36E,  
Lea County, New Mexico

Dear Royalty Owners:

On April 29, 1979, we mailed for your approval a "Gas Pooling Agreement and Gas Unit Designation". The purpose of this agreement is to pool the royalties throughout the E/2 of Section 20 in the event deep gas production is obtained from the Ellenburger-McKee or Devonian formations. All royalty owners in the E/2 will share on an acreage basis the royalty payments if such production is achieved, irrespective of the location of the gas well. Starting at the bottom of Page 2, Article III of the Gas Pooling Agreement and Gas Unit Designation is an explanation of the process of distributing the royalty proceeds among the royalty owners. To date we have had a very positive response, and a great number of ratifications have been returned. If you have not already done so, we ask that you sign, acknowledge, and return three copies of the ratification included in the prior mailing. Your cooperation and attention to this matter are greatly appreciated.

If you have any further questions, please feel free to call me collect at 915-684-0132.

Yours very truly,

GLENN A. ZELLNER  
LANDMAN  
GAZ/km

DOCUMENTS AND CORRESPONDENCE

1. "Gas Pooling Agreement and Gas Unit Designation" dated April 18, 1979.
2. Ratification
3. Letter to Royalty Owners dated April 23, 1979.
4. Letter to Working Interest Owners dated April 23, 1979.
5. Follow-up letter to Royalty Owners dated May 7, 1979.

BEFORE EXAMINER STAMETS  
OIL COMMISSION DIVISION

EXHIBIT NO. 5

CASE NO. 6554

Submitted by Atlantic Richfield

Hearing Date 5/23/79

GAS POOLING AGREEMENT AND GAS UNIT DESIGNATION

THIS AGREEMENT, made and entered into as of the 18th day of April, 1979, by and between ATLANTIC RICHFIELD COMPANY, CONTINENTAL OIL COMPANY, and SUN OIL COMPANY, hereinafter called "Working Interest Owners", and the owners of mineral, royalty and other interests in all or a portion of the following described land situated in Lea County, New Mexico, to-wit:

E/2 Section 20, Township 22 South, Range 36  
East, N.M.P.M., containing 320 acres, more or  
less;

hereinafter referred to as the "Communitized Tract",

WITNESSETH: THAT

WHEREAS, the royalty and mineral interest in said land are subject to one or more of the oil and gas leases, some of which contain a clause authorizing pooling, in segregated tracts of varying ownership, as such leases and tracts are described in Exhibit "A" hereto, which is made a part hereof for all purposes, and Working Interest Owners are the owners of the leases or have the right to share production therefrom by virtue of an existing Operating Agreement; and

WHEREAS, in order to promote conservation and prevent waste, the parties hereto desire to pool and communitize their interests as hereinafter provided.

NOW, THEREFORE, in consideration of the premises and of the mutual benefits accruing to them, the undersigned parties do hereby covenant and agree as follows:

1.

In exercise of the pooling powers granted in the leases specified in Exhibit "A", Working Interest Owners hereby designate the "Communitized Tract", insofar and only insofar as

concerns the Devonian, McKee and Ellenburger formations, as a unit for the production of gas-well gas, as hereinafter defined.

2.

All of the gas-well gas, as hereinafter defined, in, under and that may be produced from and only from the Devonian, McKee and Ellenburger formations of the Communitized Tract is hereby communitized and pooled, and shall hereafter be developed and operated as an entirety as if such Communitized Tract had been originally covered by one oil and gas lease, and any drilling or reworking operation conducted on any well or wells for the production of such minerals and any discovery or production thereof from any well or wells located on any portion of the Communitized Tract regardless of where located thereon, shall be deemed to have been conducted and obtained under the terms of each said lease on lands covered thereby for all purposes except for the allocation of production and the payment of royalties as hereinafter provided in paragraph 3.

The term "gas-well gas" wherever used herein means gas (excluding gas produced from an oil well) in its natural state inclusive of all its constituent elements, including condensate or distillate, produced from a gas well as hereinafter defined. The term "gas well" wherever used herein means a well capable of producing only gas-well gas as herein above defined, or any well classified as a gas well by any governmental authority.

3.

All production of the communitized minerals shall be allocated among the separate tracts comprising the Communitized Tract, as identified in Exhibit "A", in the proportion that the number of surface acres within each tract bears to the number of surface acres included in the entire Communitized Tract, and the production so allocated shall then be divided

and paid to the owners of each such tract on the basis prescribed in each particular lease, agreement, assignment, or conveyance applicable thereto. The provisions hereof shall not have the effect of reducing any shut-in gas well royalty or rental payable in lieu of actual production.

4.

This agreement, when executed by 100% of Working Interest Owners, shall be effective as to the interest of each mineral or royalty owner, or other interest owner executing the same, whether or not executed by all owners of an interest in said land, and the failure or refusal of one or more parties to execute this agreement or otherwise to consent to the pooling sought to be accomplished hereby shall not affect the validity hereof. This agreement shall be effective for as long as the leases set out in Exhibit "A", or any of them, shall remain in effect; provided, however, that Working Interest Owners shall have the right to dissolve the pooling effected hereby by filing for record in the county where the land is located a declaration to that effect, if at that time no operations are being conducted for, or no production is being obtained of, the communitized minerals.

5.

The terms of said leases are hereby amended and modified to conform with the provisions hereof and are ratified and confirmed as valid and subsisting; and, to effectuate the purposes hereof, this instrument shall be deemed to contain all necessary words to make same effective as a conveyance, the provisions hereof to constitute covenants running with the land and leasehold premises and as such to extend to, bind and inure to the benefit of the parties hereto, their heirs, assigns, and successors.

This agreement is prepared in several counterparts and shall bind each party executing a counterpart or any instrument that evidences an intention to be bound by this agreement, whether or not the same writing is signed by all owners of an interest in said land and whether or not all owners enter into this agreement. If any party executing this instrument as a Working Interest Owner is also the owner of a mineral, royalty, overriding royalty, or like interest, such party's full interest of whatsoever kind or character shall be bound hereby.

EXECUTED as of the day and year first above written.

ATLANTIC RICHFIELD COMPANY

BY: C. E. Cardwell Jr.  
Attorney in Fact

*John*

CONTINENTAL OIL COMPANY

BY: \_\_\_\_\_

SUN OIL COMPANY

BY: \_\_\_\_\_

WORKING INTEREST OWNERS

\_\_\_\_\_  
\_\_\_\_\_  
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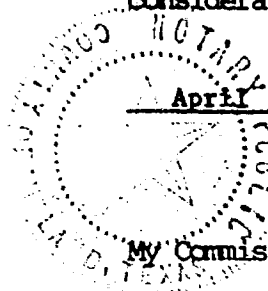
MINERAL, ROYALTY, AND OVERRIDING  
ROYALTY OWNERS

\_\_\_\_\_  
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Add acknowledgments as needed.

THE STATE OF TEXAS   X  
                              X  
COUNTY OF MIDLAND   X

BEFORE ME, the undersigned authority, on this day personally appeared  
C. E. Cardwell, Jr., Attorney in Fact ~~and Vice President~~ for ATLANTIC RICHFIELD  
COMPANY, a corporation, known to me to be the person whose name is subscribed  
to the foregoing instrument, and acknowledged to me that he executed the same  
as the act and deed of said Atlantic Richfield Company, for the purposes and  
consideration and in the capacity therein expressed.



GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 23rd day of  
April, 1979.

Yvonne Brooks  
Notary Public

Yvonne Brooks

My Commission Expires:

June 30, 1980



EXHIBIT "A"

Attached to and made a part of Gas Pooling Agreement and Gas Unit Designation dated April 18, 1979, between Atlantic Richfield Company and Sun Oil Company, et al, covering the E/2 Section 20, T-22-S, R-36-E, Lea County, New Mexico.

DESCRIPTION OF LANDS AND LEASES COMMITTED

TRACT 1

NE/4 Section 20, T-22-S, R-36-E, N.M.P.M.,  
containing 160 acres, more or less.

LEASE #1:

LESSOR:	Della Bailey Boren et vir, J. M. Boren
LESSEE OF RECORD:	Sun Oil Company
DATE OF LEASE:	June 21, 1927
INTEREST COVERED:	Full
NET ACRES:	160
WORKING INTEREST:	Sun Oil Company - 100%

TRACT 2

SE/4 Section 20, T-22-S, R-36-E, N.M.P.M.,  
containing 160 acres, more or less.

LEASE #2:

LESSOR:	R. H. Venable
LESSEE OF RECORD:	Continental Oil Company
DATE OF LEASE:	June 15, 1964
INTEREST COVERED:	1/64
NET ACRES:	2.5
WORKING INTEREST:	Continental Oil Company - 100%

LEASE #3:

LESSOR:	D. R. Snow
LESSEE OF RECORD:	Continental Oil Company
DATE OF LEASE:	June 30, 1964
INTEREST COVERED:	1/64
NET ACRES:	2.5
WORKING INTEREST:	Continental Oil Company - 100%

LEASE #4:

LESSOR:	The Bradley Producing Corporation
LESSEE OF RECORD:	Continental Oil Company
DATE OF LEASE:	September 24, 1964
INTEREST COVERED:	1/128
NET ACRES:	1.25
WORKING INTEREST:	Continental Oil Company - 100%

LEASE #5:

LESSOR:	Jay Simmons
LESSEE OF RECORD:	Continental Oil Company
DATE OF LEASE:	October 19, 1964
INTEREST COVERED:	1/192
NET ACRES:	.8333
WORKING INTEREST:	Continental Oil Company - 100%

LEASE #6:

LESSOR:	Florence E. Ernst and Manufacturers and Traders Trust Company, Trustee
LESSEE OF RECORD:	Continental Oil Company
DATE OF LEASE:	June 16, 1964
INTEREST COVERED:	85% of 1/16
NET ACRES:	8.5
WORKING INTEREST:	Continental Oil Company - 100%

LEASE #7:

LESSOR:	Texaro Oil Company
LESSEE OF RECORD:	Continental Oil Company
DATE OF LEASE:	August 5, 1964
INTEREST COVERED:	1/128
NET ACRES:	1.25
WORKING INTEREST:	Continental Oil Company - 100%

LEASE #8:

LESSOR: Nathan Calvin  
LESSEE OF RECORD: Continental Oil Company  
DATE OF LEASE: September 15, 1964  
INTEREST COVERED: 3/128  
NET ACRES: 3.75  
WORKING INTEREST: Continental Oil Company - 100%

LEASE #9:

LESSOR: Grace Healey Greenan  
LESSEE OF RECORD: Continental Oil Company  
DATE OF LEASE: December 9, 1964  
INTEREST COVERED: 15% of 1/16  
NET ACRES: 1.5  
WORKING INTEREST: Continental Oil Company - 100%

NOTE: Leases 2 through 9 are subject to an overriding royalty of 2.4% per assignment dated May 25, 1965 (Book 246, Page 121) from Robert A. Dean et ux, Mary Jane Dean to Guy A. Swartz.

LEASE #10:

LESSOR: Alva N. Etz et ux, Jean W. Etz  
LESSEE OF RECORD: Atlantic Richfield Company  
DATE OF LEASE: May 4, 1977  
INTEREST COVERED: 3/512  
NET ACRES: .9375  
WORKING INTEREST: Atlantic Richfield Company - 100%

LEASE #11:

LESSOR: Robert W. Etz  
LESSEE OF RECORD: Atlantic Richfield Company  
DATE OF LEASE: May 4, 1977  
INTEREST COVERED: 3/512  
NET ACRES: .9375  
WORKING INTEREST: Atlantic Richfield Company - 100%

LEASE #12:

LESSOR: George H. Etz, Jr., Trustee  
LESSEE OF RECORD: Atlantic Richfield Company  
DATE OF LEASE: May 4, 1977  
INTEREST COVERED: 3/256  
NET ACRES: 1.875  
WORKING INTEREST: Atlantic Richfield Company - 100%

LEASE #13:

LESSOR: W. L. Pickens et ux, Ruth Pickens  
LESSEE OF RECORD: Atlantic Richfield Company  
DATE OF LEASE: May 7, 1977  
INTEREST COVERED: 1/32  
NET ACRES: 5.0  
WORKING INTEREST: Atlantic Richfield Company - 100%

LEASE #14:

LESSOR: Lucy P. Owings, Individually and  
Lucy P. Owings and Hamilton Rogers  
as Ancillary Personal Representa-  
tive of the Estate of Roger B.  
Owings, deceased.  
LESSEE OF RECORD: Atlantic Richfield Company  
DATE OF LEASE: May 19, 1977  
INTEREST COVERED: 1/128  
NET ACRES: 1.25  
WORKING INTEREST: Atlantic Richfield Company - 100%

LEASE #15

LESSOR: John H. Wilson et ux Henriette  
Wilson  
LESSEE OF RECORD: Atlantic Richfield Company  
DATE OF LEASE: June 10, 1977  
INTEREST COVERED: 1/64  
NET ACRES: 2.5  
WORKING INTEREST: Atlantic Richfield Company - 100%

LEASE #16:

LESSOR: First National Bank of Fort Worth,  
Trustee for Charles J. Hoffman

LESSEE OF RECORD: Atlantic Richfield Company

DATE OF LEASE: May 16, 1977

INTEREST COVERED: 1/128

NET ACRES: 1.25

WORKING INTEREST: Atlantic Richfield Company - 100%

NOTE: Leases 10 through 16 are limited as to depths below  
3940 feet below the surface of the ground.

UNLEASED MINERAL INTERESTS - TRACT 2

a) OWNER: First National Bank of Santa Fe,  
Trustee

INTEREST: 1/16

NET ACRES: 10

b) OWNER: Max W. Coll, II

INTEREST: 3/512

NET ACRES: .9375

c) OWNER: James N. Coll

INTEREST: 3/512

NET ACRES: .9375

d) OWNER: Charles H. Coll

INTEREST: 3/512

NET ACRES: .9375

e) OWNER: Jon F. Coll

INTEREST: 3/512

NET ACRES: .9375

f) OWNER: John H. Healey et ux, Rose Marie  
Healey

INTEREST: 1/16

NET ACRES: 10

g) OWNER: Dalport Oil Corporation  
INTEREST: 1/192  
NET ACRES: .8333

h) OWNER: Atlantic Richfield Company  
INTEREST: 239/384  
NET ACRES: 99.5833

NOTE: All of the above Mineral Interest have been committed to the Langley Deep Unit, covering among other lands the SE/4 Section 20, T-22-S, R-36-E, Lea County, New Mexico. By virtue of the Langley Deep Unit Operating Agreement dated September 1, 1977, each unleased mineral interest is subject to Paragraph 3 therein, providing that any unleased mineral interest be treated as leased under the terms of the form of lease attached to the Operating Agreement as Exhibit "B". Said lease form does not contain pooling provisions.

#### RECAPITULATION

<u>Tract Number</u>	<u>No. of Acres Communitized</u>	<u>Percentage Interest in Communitized Area</u>
1	160	50%
2	160	50%

#### WORKING INTEREST OWNERSHIP:

<u>Tract</u>	<u>Company</u>	<u>Net Acres in Communitized Area</u>	<u>Percentage Interest in Communitized Area</u>
1	Sun Oil Company	160.0000	50.0000%
2	Atlantic Richfield Company	113.3333	35.4166%
2	Continental Oil Company	22.0833	6.9010%
2	First National Bank of Santa Fe, Trustee	10.0000	3.1250%
2	John Healey, et ux	10.0000	3.1250%
2	Max Coll, II	.9375	.2930%
2	James N. Coll	.9375	.2930%
2	Charles H. Coll	.9375	.2930%
2	Jon F. Coll	.9375	.2930%
2	Dalport Oil Corporation	.8334	.2604%
		320.0000	100.0000%

SUN OIL COMPANY

TRACT 1

160 acres

E/2 Section 20,  
Township 22 South,  
Range 36 East, N.M.P.M.

ATLANTIC RICHFIELD COMPANY,  
CONTINENTAL OIL COMPANY,  
ET AL

TRACT 2

160 acres

EXHIBIT "A"

GAS POOLING AGREEMENT AND GAS UNIT DESIGNATION

DATED: APRIL 18, 1979

OPERATOR: ATLANTIC RICHFIELD COMPANY

LEA COUNTY, NEW MEXICO

RATIFICATION OF GAS POOLING  
AGREEMENT AND GAS UNIT DESIGNATION

Each undersigned owner of a working interest, mineral,  
royalty or other interest in the following described land situated  
in Lea County, New Mexico, to-wit:

E/2 Section 20, Township 22 South, Range 36  
East, N.M.P.M., containing 320 acres, more  
or less;

does hereby acknowledge receipt of a copy of instrument entitled  
"Gas Pooling Agreement and Gas Unit Designation" dated as of  
April 18, 1979, designating the above described land as a unit  
for the production of gas-well gas insofar and only insofar as  
concerns the Devonian, McKee and Ellenburger formations, and does  
hereby ratify, adopt and approve the same.

EXECUTED this \_\_\_\_\_ day of \_\_\_\_\_, 1979.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



New Mexico  
ACKNOWLEDGMENT

(PERSONAL ACKNOWLEDGMENT)

STATE OF \_\_\_\_\_ } ss:  
COUNTY OF \_\_\_\_\_ }

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, by

My commission expires: \_\_\_\_\_ Notary Public

(PERSONAL ACKNOWLEDGMENT)

STATE OF \_\_\_\_\_ } ss:  
COUNTY OF \_\_\_\_\_ }

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, by

My commission expires: \_\_\_\_\_ Notary Public

(PERSONAL ACKNOWLEDGMENT)

STATE OF \_\_\_\_\_ } ss:  
COUNTY OF \_\_\_\_\_ }

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, by

My commission expires: \_\_\_\_\_ Notary Public

(ACKNOWLEDGMENT BY ATTORNEY)

STATE OF \_\_\_\_\_ } ss:  
COUNTY OF \_\_\_\_\_ }

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, by  
\_\_\_\_\_ as attorney-in-fact in behalf of

My commission expires: \_\_\_\_\_ Notary Public

(ACKNOWLEDGMENT BY CORPORATION)

STATE OF \_\_\_\_\_ } ss:  
COUNTY OF \_\_\_\_\_ }

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, by  
\_\_\_\_\_ of \_\_\_\_\_  
(NAME) (TITLE) (CORPORATION)  
a \_\_\_\_\_ corporation, on behalf of said corporation.

My commission expires: \_\_\_\_\_ Notary Public

(ACKNOWLEDGMENT BY CORPORATION)

STATE OF \_\_\_\_\_ } ss:  
COUNTY OF \_\_\_\_\_ }

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, by  
\_\_\_\_\_ of \_\_\_\_\_  
(NAME) (TITLE) (CORPORATION)  
a \_\_\_\_\_ corporation, on behalf of said corporation.

My commission expires: \_\_\_\_\_ Notary Public

ARCO Oil and Gas Company  
Permian District  
Post Office Box 1610  
Midland, Texas 79702  
Telephone 915 684 0130  
Curt Krehbiel  
District Landman



April 23, 1979

TO ALL ROYALTY INTEREST OWNERS

Subject: Langley Deep Working Interest Unit  
Langley-Boren Com No. 1 Well  
E/2 Section 20, T-22-S, R-36-E,  
Lea County, New Mexico

Dear Royalty Owners:

ARCO Oil and Gas Company, as operator of the Langley Deep Working Interest Unit has proposed to the working interest owners thereunder the drilling of a fourth unit well to be located in the E/2 of Section 20, T-22-S, R-36-E, Lea County. To date we have had good success with the prior three unit wells, the first and second having been completed in the Ellenburger formation and the third undergoing completion in the Devonian formation.

The New Mexico Oil Conservation Commission, in the interest of conservation, to avoid waste, and to prevent the drilling of unnecessary wells, designates 320-acre spacing for the drilling of wells to the Ellenburger, Devonian, and McKee formations, all possible producing horizons for the subject well, for the production of gas. Due to insufficient pooling powers in the leases committed to the Langley Deep Working Interest Unit underlying the E/2 Section 20 and to comply with the above mentioned spacing policy, ARCO Oil and Gas Company, as operator of the Unit, has prepared a "Gas Pooling Agreement and Gas Unit Designation". The purpose of that Agreement is to pool the gas rights in the Ellenburger, Devonian, and McKee formations and to allow the pooling of royalty throughout the E/2 of Section 20.

The effect of pooling the royalty will be that all royalty owners under the pooled 320 acres will share on an acreage basis the royalty accruing therein irrespective of the location of the captioned well. The process by which royalty proceeds will be distributed among the royalty owners is explained at the bottom of page two, Article 3 of the "Gas Pooling Agreement and Gas Unit Designation" which is enclosed herewith.


Royalty Interest Owners  
Langley-Boren Com No. 1 Well  
Page 2

Also find herewith four (4) copies of the "Ratification of Gas Pooling Agreement and Gas Unit Designation". Please sign, acknowledge, and return three (3) copies of said Ratification. The Gas Pooling Agreement and Gas Unit Designation, along with the remaining Ratification, is for your files.

Please note that attached to each Ratification is an acknowledgment page which must be notarized. Instructions for execution and acknowledgment of instruments for New Mexico properties is enclosed for your information, as is a stamped self-addressed envelope for your convenience.

If you should have any questions, please feel free to call me collect at (915) 684-0132.

Cordially submitted,



GLENN A. ZELLNER  
LAND DEPARTMENT

GAZ:bk

Enclosures: Agreement  
Ratification (4)  
Instructions  
Envelope

Robert Allen Venable, Trustee  
under Last Will & Testament of  
R. H. Venable, deceased  
2711 Mercantile Bank Building  
Dallas, Texas 75201

Oil Finders, Inc.  
320 S. Boston, Suite 2000  
Tulsa, Oklahoma 74103

The Bradley Producing Corp.  
313 N. Main Street  
Wellsville, New York 14895

Florence E. Ernst and  
Manufacturers and Traders  
Trust Company, Trustees,  
and Mary Hurley Healey, a widow  
c/o Trust Department  
One M&T Plaza  
Buffalo, New York 14240

Texaro Oil Company  
801 Preston State Bank Building  
Dallas, Texas 75225

Buford I. King, Trustee  
c/o Petroleum Department  
First National Bank of Ft. Worth  
P. O. Box 2260  
Fort Worth, Texas 76101

Alva N. Etz, II and Jean W. Etz,  
his wife, as joint tenants  
4005 W. Elm Street  
Phoenix, Arizona 85019

Robert W. Etz,  
Separate Property  
P. O. Box 1992  
Roswell, New Mexico 88201

Alva N. Etz, II  
Separate Property  
4005 W. Elm Street  
Phoenix, Arizona 85019

George H. Etz, Jr., Trustee  
of George H. Etz, Sr. Trust  
2003 - 17th Street  
Lubbock, Texas 79401

W. L. Pickens and wife,  
Ruth Pickens  
800 Preston Bank Building  
Dallas, Texas 75225

Lucy P. Owings and Heirs or  
Devises of Robert B. Owings, Dec'd.  
1504 Oil & Gas Building  
Fort Worth, Texas 76102

Lucy P. Owings, separate property  
1504 Oil & Gas Building  
Fort Worth, Texas 76102

John H. Wilson et ux Harriette Wilson  
1212 W. El Paso Street  
Fort Worth, Texas 76102

The First National Bank of Fort Worth,  
Trustee for Charles J. Hoffman  
P. O. Box 2546  
Fort Worth, Texas 76101

Jay Simmons et ux Margaret Simmons  
2620 Republic Bank  
Dallas, Texas 75201

Betty Simmons Regard  
2620 Republic Bank  
Dallas, Texas 75201

Margaret Pillet Simmons  
2620 Republic Bank  
Dallas, Texas 75201

Suzanne Simmons Bartolucci  
2620 Republic Bank  
Dallas, Texas 75201

Guy A. Swartz et ux Donna Swartz  
2807 Tanglewood  
San Angelo, Texas 76901

Ethel B. Kellough  
5806 S. Wheeling  
Tulsa, Oklahoma 74105

Eleanor H. Greenan or Grace Healey Greenan  
c/o New York Trust Co.  
ATTENTION: Oil Unit  
45 Wall Street  
New York, New York 10005

ARCO Oil and Gas Company  
Permian District  
Post Office Box 1610  
Midland, Texas 79702  
Telephone 915 684 0130  
Curt Krehbiel  
District Landman



April 23, 1979

ADDRESS LIST ATTACHED

Subject: Ratification of Gas Pooling Agreement  
and Gas Unit Designation  
Langley Deep Working Interest Unit  
Langley-Boren Com No. 1  
E/2 Section 20, T-22-S, R-36-E,  
Lea County, New Mexico

ARCO Oil and Gas Company, as operator of the referenced working interest unit, is presently drilling the fourth unit well, the Langley-Boren Com No. 1 located 1780' FNL and 660' FEL Section 20, T-22-S, R-36-E. The well was spudded March 30, 1979. The acreage dedicated to this test is to be the E/2 Section 20, 320 acres.

The leases being committed to this well by Sun Oil Company, Continental Oil Company, and Atlantic Richfield contain insufficient provisions for pooling a 320 acre gas proration unit, therefore mailed this date to all Royalty Interest Owners under said leases was a "Gas Pooling Agreement and Gas Unit Designation" and corresponding Ratification. These Royalty Owners have been requested to execute such Ratifications in order to empower the Working Interest Owners to pool their leases in the E/2 Section 20 and to allocate royalty on an acreage basis.

Certain unleased mineral interests committed to the Langley-Deep Working Interest Unit are also contained in the Langley-Boren spacing unit and are to be treated as leased pursuant to the terms of the Unit Operating Agreement dated September 22, 1977. Therefore, we hereby request that those owners of unleased minerals execute along with the Working Interest Owners the enclosed Ratifications.

Find herewith for your files one copy of said "Gas Pooling Agreement and Gas Unit Designation" executed on behalf of Atlantic Richfield Company. Also enclosed are four (4) copies of the corresponding Ratifications to that instrument. Please execute, acknowledge, and return three (3) copies of the Ratification. Your prompt attention is required and will be greatly appreciated.

As was the procedure for the second and third unit wells ARCO will initiate a Force Pooling Action to pool the royalty interests under the E/2 Section 20 with the New Mexico Oil Conservation Commission probably in late May. Later correspondence will update you with respect to the date and outcome of that hearing.

Langley-Boren Com No. 1  
Page 2

Again I ask that you expedite the handling of this matter due to the time frame within which we need to set the hearing and the drilling status of the Langley Boren Com No. 1.

Yours very truly,



GLENN A. ZELLNER  
LAND DEPARTMENT

GAZ:bk

Enclosures

Sun Oil Company  
Box 2880  
Dallas, Texas 75221

Continental Oil Company  
Attention: L. P. Thompson  
P. O. Box 460  
Hobbs, New Mexico 88240

First National Bank of Santa Fe, Trustee  
for Lamar Lunt Trust  
P. O. Box 609  
Santa Fe, New Mexico 87501

John H. Healey  
P. O. Box 1901  
Midland, Texas 79702

Dalport Oil Corporation  
3471 First National Bank Building  
Dallas, Texas 75202

Max W. Coll, II  
Box 818  
Roswell, New Mexico 88201

James N. Coll  
Box 818  
Roswell, New Mexico 88201

Jon F. Coll  
Box 818  
Roswell, New Mexico 88201

Charles H. Coll  
Box 818  
Roswell, New Mexico 88201

ARCO Oil and Gas Company  
Permian District  
Post Office Box 1610  
Midland, Texas 79702  
Telephone 915 684 0130  
Curt Krehbiel  
District Landman



May 7, 1979

TO ALL ROYALTY INTEREST OWNERS

Subject: Ratification of Gas Pooling Agreement  
and Gas Unit Designation  
Langley Deep Working Interest Unit  
Langley-Boren Com No. 1 Well  
E/2 Section 20, T-22S, R-36E,  
Lea County, New Mexico

Dear Royalty Owners:

On April 29, 1979, we mailed for your approval a "Gas Pooling Agreement and Gas Unit Designation". The purpose of this agreement is to pool the royalties throughout the E/2 of Section 20 in the event deep gas production is obtained from the Ellenburger-McKee or Devonian formations. All royalty owners in the E/2 will share on an acreage basis the royalty payments if such production is achieved, irrespective of the location of the gas well. Starting at the bottom of Page 2, Article III of the Gas Pooling Agreement and Gas Unit Designation is an explanation of the process of distributing the royalty proceeds among the royalty owners. To date we have had a very positive response, and a great number of ratifications have been returned. If you have not already done so, we ask that you sign, acknowledge, and return three copies of the ratification included in the prior mailing. Your cooperation and attention to this matter are greatly appreciated.

If you have any further questions, please feel free to call me collect at 915-684-0132.

Yours very truly,

GLENN A. ZELLNER  
LANDMAN  
GAZ/km



6-3551  
 Subscribed by *Harold L. Lichfield*  
 Hearing Date *5/23/79*

Royalty Owners  
 E/2 Section 20  
 Township 22 South, Range 36 East  
 Lea County, New Mexico

Robert Allen Venable, Trustee  
 under Last Will & Testament of  
 R. H. Venable, deceased  
 2711 Mercantile Bank Building  
 Dallas, Texas 75201

Oil Finders, Inc.  
 320 S. Boston, Suite 2000  
 Tulsa, Oklahoma 74103

The Bradley Resources Corp.  
 313 N. Main Street  
 Wellsville, New York 14895

Florence E. Ernst and  
 Manufacturers and Traders  
 Trust Company, Trustees,  
 and Mary Harley Healey, a widow  
 c/o Trust Department  
 One M&T Plaza  
 Buffalo, New York 14240

Texaro Oil Company  
 801 Preston State Bank Building  
 Dallas, Texas 75225

Buford I. King, Trustee  
 c/o Petroleum Department  
 First National Bank of Ft. Worth  
 P. O. Box 2260  
 Fort Worth, Texas 76101

Alva N. Etz, II and Jean W. Etz,  
 his wife, as joint tenants  
 4005 W. Elm Street  
 Phoenix, Arizona 85019

Robert W. Etz,  
 Separate Property  
 P. O. Box 1992  
 Roswell, New Mexico 88201

Alva H. Etz, II  
 Separate Property  
 4005 W. Elm Street  
 Phoenix, Arizona 85019

George H. Etz, Jr., Trustee  
 of George H. Etz, Sr. Trust  
 2003 - 17th Street  
 Lubbock, Texas 79401

W. L. Pickens and wife,  
 Ruth Pickens  
 800 Preston Bank Building  
 Dallas, Texas 75225

Lucy P. Owings and Heirs or  
 Devisees of Robert B. Owings, Dec'd.  
 1504 Oil & Gas Building  
 Fort Worth, Texas 76102

Lucy P. Owings, separate property  
 1504 Oil & Gas Building  
 Fort Worth, Texas 76102

John H. Wilson et ux Harriette Wilson  
 1212 W. El Paso Street  
 Fort Worth, Texas 76102

The First National Bank of Fort Worth,  
 Trustee for Charles J. Hoffman  
 P. O. Box 2546  
 Fort Worth, Texas 76101

Jay Simmons et ux Margaret Simmons  
 2620 Republic Bank  
 Dallas, Texas 75201

Betty Simmons Regard  
 2620 Republic Bank  
 Dallas, Texas 75201

Margaret Pillet Simmons  
 2620 Republic Bank  
 Dallas, Texas 75201

Suzanne Simmons Bartolucci  
 2620 Republic Bank  
 Dallas, Texas 75201

Guy A. Swartz et ux Donna Swartz  
 2807 Tanglewood  
 San Angelo, Texas 76901

Ethel B. Kellough  
 5806 S. Wheeling  
 Tulsa, Oklahoma 74105

Eleanor H. Greenan or Grace Healey Greenan  
 c/o New York Trust Co.  
 ATTENTION: Oil Unit  
 45 Wall Street  
 New York, New York 10005

UNRESPONSIVE ROYALTY OWNERS:

Florence E. Ernst and  
Manufacturers and Traders  
Trust Company, Trustees,  
and Mary Hurley Healey, a widow  
c/o Trust Department  
One M&T Plaza  
Buffalo, New York 14240

Buford I. King, Trustee  
c/o Petroleum Department  
First National Bank of Ft. Worth  
P.O. Box 2260  
Fort Worth, Texas 76101

Alva N. Etz, II  
Separate Property  
4005 W. Elm Street  
Phoenix, Arizona 85019

Lucy P. Owings and Heirs or  
Devises of Robert B. Owings, Dec'd.  
1504 Oil & Gas Building  
Fort Worth, Texas 76102

Ethel B. Kellough  
5806 S. Wheeling  
Tulsa, Oklahoma 74105

Eleanor H. Greenan or  
Grace Healey Greenan  
c/o New York Trust Co.  
ATTENTION: Oil Unit  
45 Wall Street  
New York, New York 10005

Dockets Nos. 23-79 and 24-79 are tentatively set for hearing on June 13 and 27, 1979. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 23, 1979

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

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

CASE 6545: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Corinne Grace, Travelers Indemnity Company, and all other interested parties to appear and show cause why the Kuklah Baby Well No. 1 located in Unit C of Section 24, Township 22 South, Range 26 East, Eddy County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6422: (Continued from February 28, 1979, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Helton Engineering & Geological Services, Inc., Travelers Indemnity Company, and all other interested parties to appear and show cause why the Brent Well No. 1 located in Unit M of Section 29 and the Brent Well No. 3 located in Unit C of Section 19, both in Township 13 North, Range 6 East, Sandoval County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6546: Application of Black River Corporation for compulsory pooling and non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Jalmat Gas Pool underlying the SW/4 of Section 32, Township 23 South, Range 37 East, to form a 160-acre non-standard gas proration unit 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 6536: (Continued from May 9, 1979, Examiner Hearing)

Application of Black River Corporation for two non-standard gas proration units, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for two 80-acre non-standard gas proration units in the Jalmat Gas Pool as follows: the N/2 SE/4 of Section 22, Township 23 South, Range 36 East, to be dedicated to applicant's well to be drilled in Unit J of said Section 22; and the S/2 SE/4 of said Section 22 to be dedicated to El Paso Natural Gas Company's Shell State Well No. 3 located in Unit P.

CASE 6535: (Continued from May 9, 1979, Examiner Hearing)

Application of Torreon Oil Company for a waterflood project, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the San Luis-Mesaverde Pool by the injection of water into the Menefee formation through two wells located in Section 21, Township 18 North, Range 3 West, Sandoval County, New Mexico.

CASE 6547: Application of American Petrofina Company of Texas for the creation of a waterflood buffer zone, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a waterflood buffer zone comprising the NE/4 SE/4 of Section 26, Township 17 South, Range 32 East, Maljamar Grayburg-San Andres Pool, to enable applicant to produce its Johns B Well No. 4 located thereon at an unrestricted rate.

CASE 6548: Application of John F. Staver for salt water disposal, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Dakota formation through the open hole interval from 1408 feet to 1412 feet in his Table Mesa Well No. 22 located in Unit N and from 1394 feet to 1400 feet in his Table Mesa Well No. 23 located in Unit O, both in Section 34, Township 28 North, Range 17 West, Table Mesa-Dakota Oil Pool.

CASE 6549: Application of Gulf Oil Corporation for pool creation, discovery allowable, and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order creating a new Bone Springs oil pool for its Lea "YH" State Well No. 1 located in Unit O of Section 25, Township 18 South, Range 34 East. Applicant also seeks a discovery allowable and promulgation of special pool rules, including a provision for 80-acre spacing.

CASE 6550: Application of Yates Petroleum Corporation for an unorthodox gas well location and compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp through Mississippian formations underlying the S/2 of Section 12, Township 19 South, Range 24 East, to be dedicated to its Allison Federal "CQ" Well No. 2 to be drilled at an unorthodox location 1930 feet from the South line and 660 feet from the West line of said Section 12. 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 6492: (Continued from May 9, 1979, Examiner Hearing)

Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the San Andres formation underlying the NE/4 NW/4 of Section 13, Township 17 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.

CASE 6551: Application of Bass Enterprises Production Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox Lower Morrow gas well location 1980 feet from the North line and 660 feet from the East line of Section 1, Township 19 South, Range 28 East, the N/2 of said Section 1 to be dedicated to the well.

CASE 6528: (Continued from April 25, 1979, Examiner Hearing)

Application of Bass Enterprises Production Co. for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox Morrow test well location to be drilled 660 feet from the North and West lines of Section 10, Township 21 South, Range 32 East, Lea County, New Mexico, the W/2 of said Section 10 to be dedicated to the well.

CASE 6552: Application of Maddox Energy Corporation 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 E/2 of Section 3, Township 24 South, Range 28 East, 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 6553: Application of The Atlantic Richfield Company for approval of infill drilling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a finding that the Division waived existing well-spacing requirements and found that the drilling of additional wells was necessary to effectively and efficiently drain those portions of the proration units in the Empire Abo Unit located in Townships 17 and 18 South, Ranges 27, 28 and 29 East, which could not be so drained by the existing wells.

CASE 6554: Application of The Atlantic Richfield Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all royalty interests in the Devonian, McKee, and Elienburger formations underlying the E/2 of Section 20, Township 22 South, Range 36 East, Langlie Field, to be dedicated to a well to be drilled at a standard location thereon.

CASE 6555: Application of Jake L. Haron for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox location 660 feet from the North line and 560 feet from the East line of Section 30, Township 20 South, Range 36 East, North Osudo-Morrow Gas Pool, all of said Section 30 to be dedicated to the well.

CASE 6556: Application of Curtis Little for the amendment of Order No. R-5962, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-5962 to provide for the unorthodox location of a well to be drilled 1000 feet from the South line and 50 feet from the East line of Section 11, Township 28 North, Range 12 West, Basin-Dakota Pool, and for the extension of the date to commence drilling.

CASE 6435: (Continued from February 28, 1979, Examiner Hearing)

Application of Amerada Hess Corporation for approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a finding that the drilling of its W. A. Weir "B" Well No. 3 located in Unit B of Section 26, Township 19 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well, and further seeks approval of a waiver of existing well-spacing requirements.

CASE 6559: Application of Roy L. McKay for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for his Morton Solid State Unit Area, comprising 1,480 acres, more or less, of State lands in Township 15 South, Range 34 East.

CASE 6487: (Continued from February 28, 1979, Examiner Hearing)

Application of El Paso Natural Gas Company for approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Shell E State Com Well No. 2 located in Unit N of Section 6, Township 21 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.

CASE 6471: (Continued from February 28, 1979, Examiner Hearing)

Application of Consolidated Oil & Gas, Inc. for approval of infill drilling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Freeman Well No. 1-A to be located in Unit C of Section 11, Township 31 North, Range 13 West, Basin-Dakota Pool, San Juan County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.

CASE 6472: (Continued from February 28, 1979, Examiner Hearing)

Application of Consolidated Oil & Gas, Inc. for approval of infill drilling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Jenny Well No. 1-A to be located in Unit P of Section 13, Township 26 North, Range 4 West, Basin-Dakota Pool, Rio Arriba County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.

CASE 6473: (Continued from February 28, 1979, Examiner Hearing)

Application of Consolidated Oil & Gas, Inc. for approval of infill drilling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its McIntyre Well No. 1-A to be located in Unit K of Section 11, Township 26 North, Range 4 West, Basin-Dakota Pool, Rio Arriba County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.

CASE 6474: (Continued from February 28, 1979, Examiner Hearing)

Application of Consolidated Oil & Gas, Inc. for approval of infill drilling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Williams Well No. 1-A to be located in Unit C of Section 24, Township 31 North, Range 13 West, Basin-Dakota Pool, San Juan County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.

CASE 6475: (Continued from February 28, 1979, Examiner Hearing)

Application of Consolidated Oil & Gas, Inc. for approval of infill drilling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Montoya Well No. 1-A to be located in Unit I of Section 35, Township 32 North, Range 13 West, Basin-Dakota Pool, San Juan County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.

DOCKET: COMMISSION HEARING - TUESDAY - MAY 29, 1979

OIL CONSERVATION COMMISSION - 9 A.M. - ROOM 205  
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

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CASE 6557: Application of Getty Oil Company for pool creation and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order creating a new Morrow gas pool for its State 35 Well No. 1 located in Unit K of Section 35, Township 21 South, Range 34 East, and its Getty Two State Well No. 1 located in Unit F of Section 2, Township 22 South, Range 34 East, and for promulgation of special pool rules, including provision for 640-acre gas well spacing.

CASE 6497: (DE NOVO)

Application of Llano, Inc. for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be located 1650 feet from the South line and 660 feet from the East line of Section 34, Township 21 South, Range 34 East, Grama Ridge-Morrow Gas Pool, the E/2 of said Section 34 to be dedicated to the well.

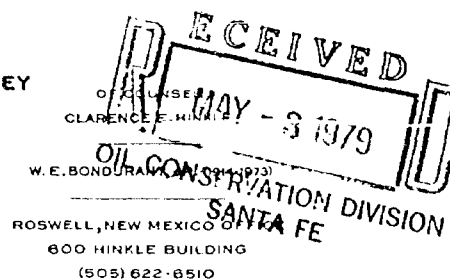
Upon application of Getty Oil Company this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 6558: Application of Llano, Inc. for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 320-acre non-standard gas proration unit comprising the E/2 of Section 34, Township 21 South, Range 34 East, to be dedicated to its Llano 34 State Com Well No. 1 located in Unit I of said Section 34.

LEWIS C. COX, JR.  
PAUL W. EATON, JR.  
CONRAD E. COFFIELD  
HAROLD L. HENSLEY, JR.  
STUART D. SHANCR  
C. D. MARTIN  
PAUL J. KELLY, JR.  
JAMES H. BOZARTH

DOUGLAS L. LUNSFORD  
PAUL M. BOHANNON  
J. DOUGLAS FOSTER  
K. DOUGLAS PERRIN  
C. RAY ALLEN  
JACQUELINE W. ALLEN  
T. CALDER EZZELL, JR.  
WILLIAM B. BURFORD  
JOHN S. NELSON  
RICHARD E. OLSON

LAW OFFICES  
HINKLE, COX, EATON, COFFIELD & HENSLEY  
1000 FIRST NATIONAL BANK TOWER  
Post Office Box 3580  
MIDLAND, TEXAS 79702  
(915) 683-4391



ONLY ATTYS. COFFIELD, MARTIN, BOZARTH,  
BOHANNON, FOSTER, ALLEN & BURFORD  
LICENSED IN TEXAS

April 30, 1979

Mr. Dan Nutter  
Chief Engineer  
Oil Conservation Division  
Post Office Box 2088  
Santa Fe, New Mexico 87501

Dear Dan:

Transmitted herewith you will find triplicate executed copies of an Application for Atlantic Richfield for compulsory pooling of royalty interests in the E $\frac{1}{2}$  of Section 20, Township 22 South, Range 36 East, N.M.P.M., Lea County, New Mexico.

I am aware of the fact that a list of all of the royalty interest owners involved is also required. This list is in the process of being compiled and will be transmitted to you upon completion, within the next day or two. However, I believe there may be as many as 30 such owners. If you prefer that we mail the docket copies from here, please forward that many and we will forward them on.

It is my understanding that the docket setting for May 23 is still available for this matter and accordingly, we request that it be heard on that date.

I trust that the enclosed copies of the Application and the list of royalty interest owners involved are all that is needed in order for this to be set for the May 23 hearing. However, if anything is needed in addition, please let me know.

Very truly yours,

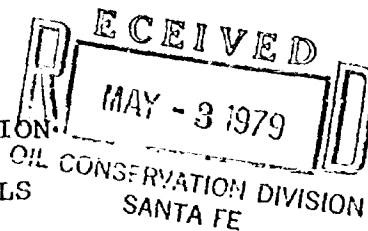
HINKLE, COX, EATON,  
COFFIELD & HENSLEY

  
Conrad E. Coffield

CEC:rf

xc: Mr. Glen Zellner  
Atlantic Richfield Company  
Post Office Box 1610  
Midland, Texas 79702

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



APPLICATION OF ATLANTIC RICHFIELD )  
COMPANY FOR COMPULSORY POOLING, )  
LEA COUNTY, NEW MEXICO )

Case 6554

APPLICATION

Atlantic Richfield Company, by its undersigned attorneys, hereby makes application for an order pooling all royalty interests in the Ellenburger, McKee and Devonian formations underlying the E $\frac{1}{2}$  Section 20, Township 22 South, Range 36 East, N.M.P.M., Lea County, New Mexico, and in support thereof would show:

1. Applicant is the owner of the oil and gas leasehold in the E $\frac{1}{2}$  Section 20, Township 22 South, Range 36 East, N.M.P.M. W. L. Pickens, et al, are the owners of the royalty interests in the E $\frac{1}{2}$  Section 20, Township 22 South, Range 36 East, N.M.P.M.


2. Applicant proposes to drill a well 1780 feet from the North line and 660 feet from the East line of Section 20 to a depth sufficient to test the Ellenburger, McKee and Devonian formations and seeks to dedicate the E $\frac{1}{2}$  of said Section 20 to the well. Applicant has requested W. L. Pickens, et al, as owners of the royalty interests to agree to pool or combine their respective interests under the well, but they have so far refused to do so.

3. The pooling of all interests in the Ellenburger, McKee, and Devonian formations in the E $\frac{1}{2}$  of said Section 20 will avoid the drilling of unnecessary wells, prevent waste and protect correlative rights.

4. Applicant requests that this matter be heard at the May 23, 1979 Examiner's hearing.

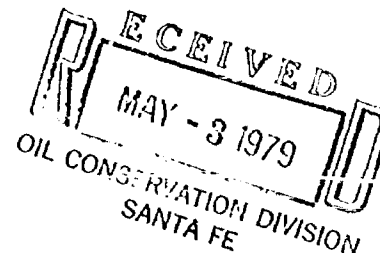
HINKLE, COX, EATON,  
COFFIELD & HENSLEY

By:

  
Conrad E. Coffield  
Post Office Box 3580  
Midland, Texas 79702  
Attorneys for Atlantic  
Richfield Company



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



APPLICATION OF ATLANTIC RICHFIELD )  
COMPANY FOR COMPULSORY POOLING, )  
LEA COUNTY, NEW MEXICO )

Case 6554

APPLICATION

Atlantic Richfield Company, by its undersigned attorneys, hereby makes application for an order pooling all royalty interests in the Ellenburger, McKee and Devonian formations underlying the E $\frac{1}{2}$  Section 20, Township 22 South, Range 36 East, N.M.P.M., Lea County, New Mexico, and in support thereof would show:

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4. Applicant requests that this matter be heard at the May 23, 1979 Examiner's hearing.

HINKLE, COX, EATON,  
COFFIELD & HENSLEY

By: 

Conrad E. Coffield  
Post Office Box 3580  
Midland, Texas 79702  
Attorneys for Atlantic  
Richfield Company

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



APPLICATION OF ATLANTIC RICHFIELD )  
COMPANY FOR COMPULSORY POOLING, )  
LEA COUNTY, NEW MEXICO )

Case 6954

APPLICATION

Atlantic Richfield Company, by its undersigned attorneys,  
hereby makes application for an order pooling all royalty  
interests in the Ellenburger, McKee and Devonian formations  
underlying the E $\frac{1}{2}$  Section 20, Township 22 South, Range 36  
East, N.M.P.M., Lea County, New Mexico, and in support thereof  
would show:

1. Applicant is the owner of the oil and gas leasehold  
in the E $\frac{1}{2}$  Section 20, Township 22 South, Range 36 East, N.M.P.M.  
W. L. Pickens, et al, are the owners of the royalty interests in  
the E $\frac{1}{2}$  Section 20, Township 22 South, Range 36 East, N.M.P.M.

2. Applicant proposes to drill a well 1780 feet from the  
North line and 660 feet from the East line of Section 20 to a  
depth sufficient to test the Ellenburger, McKee and Devonian  
formations and seeks to dedicate the E $\frac{1}{2}$  of said Section 20 to  
the well. Applicant has requested W. L. Pickens, et al, as  
owners of the royalty interests to agree to pool or combine  
their respective interests under the well, but they have so far  
refused to do so.

3. The pooling of all interests in the Ellenburger, McKee,  
and Devonian formations in the E $\frac{1}{2}$  of said Section 20 will avoid  
the drilling of unnecessary wells, prevent waste and protect  
correlative rights.

4. Applicant requests that this matter be heard at the  
May 23, 1979 Examiner's hearing.

HINKLE, COX, EATON,  
COFFIELD & HENSLEY

By: 

Conrad E. Coffield  
Post Office Box 3580  
Midland, Texas 79702  
Attorneys for Atlantic  
Richfield Company

Application of The Atlantic Richfield Co.  
for compulsory pooling, Lee County, N. Mex.

Applicant, in the above styled cause, seeks  
an order pooling all <sup>adversely</sup> ~~adversely~~ interests  
in the Ellenburger McKee and Devonian  
formations underlying the E/2 Section 20,  
T22S, R36E, <sup>Range 36E</sup> Lee County, New Mexico, to be  
dedicated to a well to be drilled at a  
standard location thereon. END

Conrad Coffield 1:50 pm 4/26/79

written appl to follow. Will also let us  
know how many dockets he needs to  
mail to the process.

DRAFT

dr/

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

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

CASE NO. 6554

Order No. R- 6024

APPLICATION OF THE ATLANTIC RICHFIELD  
COMPANY FOR COMPULSORY POOLING, LEA  
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on May 23  
19 79, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this \_\_\_\_\_ day of \_\_\_\_\_, 19 79, the Division  
Director, 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 Division has jurisdiction of this cause and the subject  
matter thereof.

(2) That the applicant, The Atlantic Richfield Company,  
seeks an order pooling all ~~mineral~~<sup>royalty</sup> interests in the Devonian, McKee,  
and Ellenburger formations underlying the E/2  
of Section 20, Township 22 South, Range 36 East  
NMPM, Langlie Field, Lea County, New  
Mexico.

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

(4) That there are <sup>royalty</sup> 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 <sup>field</sup> 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 \_\_\_\_\_ 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 \_\_\_\_\_ 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.

(7) (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.

OK  
→  
(8) (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 September 1, 1979, the order pooling said unit should become null and void and of no effect whatsoever.

IT IS THEREFORE ORDERED:

(1) That all ~~mineral~~ <sup>royalty</sup> interests, whatever they may be, Ellenburger in the Devonian, McKee and / formations underlying the E/2 of Section 20, Township 22 South, Range 36 East, NMPM, Langlie Field, Lea 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.

PROVIDED HOWEVER, that the operator of said unit shall commence the drilling of said well on or before the 1st day of September, 1979, and shall thereafter continue the drilling of said well with due diligence to a depth sufficient to test the Ellenburger formation;

PROVIDED FURTHER, that in the event said operator does not commence the drilling of said well on or before the 1st day of September, 1979, Order (1) of this order shall be null and void and of no effect whatsoever, unless said operator obtains a time extension from the Division for good cause shown.

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

(2) That The Atlantic Richfield Company is hereby designated the operator of the subject well and unit.

(3) That after the effective date of this order and within 90 days prior to commencing said well, the operator shall furnish the Division and each known working interest owner in the subject 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 Division 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 Division and the Division has not objected within 45 days following receipt of said schedule, the actual well costs shall be the reasonable well costs; provided however, that if there is an objection to actual well costs within said 45-day period the Division will determine reasonable well costs after public notice and hearing.

(6) 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, \_\_\_\_\_ 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 \_\_\_\_\_ 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

Order No.

~~(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.~~

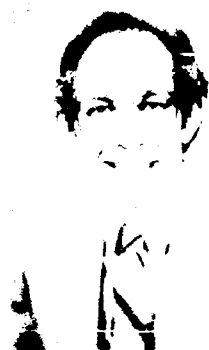
~~(11) That any well costs or charges which are to be paid out of production shall be withheld only from the working interests share of production, and no costs or charges shall be withheld from production attributable to royalty interests.~~

(3) ~~(12)~~ That all proceeds from production from the subject well which are not disbursed for any reason shall immediately be placed in escrow in Lea County, New Mexico, to be paid to the true owner thereof upon demand and proof of ownership; that the operator shall notify the Division of the name and address of said escrow agent within 30 days from the date of first deposit with said escrow agent.

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

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

Featuring:



DAVID S. SHRAGER

David S. Shrager is the National Secretary of ATLA. He is senior partner of the Philadelphia firm of Shrager, McDaid and Loftus. He specializes in civil litigation, medical negligence and products liability. He has served as Chairman of the Civil Litigation Section of the Pennsylvania Bar Association and as President of the Pennsylvania Trial Lawyers Association. Currently he serves on the National Commission for Professional Responsibility and the Civil Procedural Rules Committee of the Pennsylvania Supreme Court. He is the author of a text on *The Pennsylvania No-Fault Vehicle Insurance Act*, the author of numerous articles in legal periodicals, and lectures throughout the country.



PAUL F. MAHAFFEY

Paul Mahaffey, C.P.C.U., CA-S is the assistant vice-president of Specialty Lines Insurance Marketers. He majored in industrial management at the University of Cincinnati and received his C.P.C.U. and CA-S designation in 1977. He is currently Treasurer of the Minnesota Society of Chartered Property and Casualty Underwriters. He has specialized in professional liability coverages for many years and has spoken before numerous professional associations in the U.S. on the subject of avoiding claims for professional liability.

# PROGRAM

8:30-9:00 am	Registration
	"Medical Negligence Cases- From Beginning to End" <i>David S. Shrager, Esq.</i>
9:00-10:30 am	Evaluation and Theory Selection
	Getting the Experts
10:30-10:45 am	BREAK
10:45-Noon	Pre-Trial Discovery
	Trial Strategy
Noon-1:30 pm	ANNUAL MEETING** and LUNCHEON
	"Legal Malpractice — Its Sources and Its Prevention" <i>Paul F. Mahaffey, C.P.C.U.</i>
1:30-2:15 pm	Sources of Claims
2:15-2:30 pm	BREAK
2:30-3:30 pm	Tips for Reducing Exposure

\*The seminar is complimentary for General and  
Subscribing Members of NMTLA.  
\*\*For General Members Only.

\*\*\*

Please Return to: New Mexico Trial Lawyers Association, P.O. Box 301, Albuquerque, NM 87103

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Please pre-register me for "Professional Malpractice" seminar to be held June 18, 1982 at the Albuquerque Convention Center  
☐ I am a NMTLA member. No charge if preregistered. (Please complete bottom portion of this form)  
☐ I am not a NMTLA member. Enclosed is my check for \$100.00. (Please complete bottom portion of this form)  
☐ I am not a NMTLA member but wish to join and attend the seminar. Enclosed is a check for my dues (see below for dues schedule.) Payment of these dues entitles me to all the benefits of membership through June 30, 1983.

I do not regularly and generally represent the defense of personal injury litigation

Signature (if applying for general membership)	Date of admission to NMTLA Bar
month	year
<input type="checkbox"/> I am not a NMTLA member but wish to become a Subscribing Member and attend the seminar. I understand that as a Subscribing Member I have the same benefits as a General Member other than I have limited voting privileges. There is no limitation on the nature of a Subscribing Member's practice.	
Signature (if applying for subscribing membership)	Date of admission to NMTLA Bar
month	year
General Membership Dues <input type="checkbox"/> Admitted to practice less than one year — year \$30.00 <input type="checkbox"/> Admitted to practice over one year but less than 3 years — \$60.00 <input type="checkbox"/> In practice three years and over — \$120.00 <input type="checkbox"/> Subscribing Membership Dues <input type="checkbox"/> Admitted to practice less than three years — \$60.00 <input type="checkbox"/> In practice three years and over — \$120.00	
Name	Mailing address
Firm	City
	Phone

New Mexico and Federal District and Appellate Court Judges are invited to attend the seminar at no charge.

Law student members of the UNM Trial Lawyers Association admitted to the seminar without charge.

Paralegals and employees of NMTLA members may attend for \$50.00 fee.

There will be an additional \$10.00 charge to both members and non-members who register on the day of the seminar.

There will be no refunds on cancellations received after June 11, 1982.

In the event you are a member of the bar of Colorado, Idaho, Iowa, Minnesota, North Dakota, Washington, Wisconsin or Wyoming, please indicate if you wish credit under mandatory CLE.

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## NEW MEXICO TRIAL LAWYERS ASSOCIATION

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1982

ANNUAL MEETING

and

COMPLIMENTARY SEMINAR

on

## PROFESSIONAL MALPRACTICE

featuring

**David S. Shrager**  
Philadelphia, Pennsylvania  
and

**Paul F. Mahaffey**  
Minneapolis, Minnesota

June 18, 1982  
Albuquerque Convention Center  
Albuquerque, New Mexico

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Ernest L. Padilla  
Attorney At Law

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Santa Fe, New Mexico 87501

THE CAPITAL BANK

P. O. Box 5375

Santa Fe, New Mexico 87502

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# BANK-BY-MAIL FOLDER

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