

S & J OPERATING COMPANY

TELEPHONE (817) 723-2166

P.O. BOX 2249

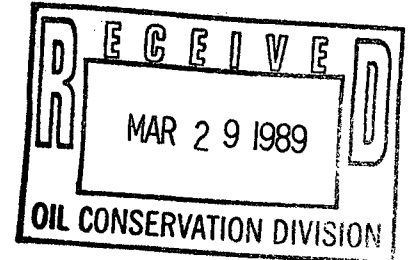
WICHITA FALLS, TEXAS 76307

March 24, 1989

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

Attn: Mike Stogner

Re: Non Standard Location
South Red Lake Grayburg Unit
Well No. 48
Eddy County, New Mexico



Dear Mr. Stogner:

Per our phone conversation of Friday, March 24, 1989, S & J Operating Company respectfully requests an exception to the spacing requirement for the above referenced well.

As the attached plat shows, we have applied for a drilling location 1,010' from the west line and 240' from the south line of Sec. 36, T17S, R27E. There is an Arco well located at approximately 1,010' from the west line and 330' from the south line called the Empire (Abo) Unit "H" No. 17. This well is a pressure observation well in the Abo formation at approximately 5800'. There is also a shallow producing oil well which is operated by Joe Tarver and is located west southwest of the Arco well. This well produces oil from a depth of 600' - 900'.

The South Red Lake Grayburg Unit well No. 48 is a development well in the secondary recovery project known as the South Red Lake Grayburg Unit. This well is needed to obtain production which has been swept to this area by injection wells to the east, west and south.

If any further information is needed to obtain this exception, please let me know.

Very truly yours,

S & J OPERATING COMPANY

Sandy Robertson

Sandy Robertson

SR/dk
Encls.

Submit to Appropriate
District Office
State Lease - 6 copies
Fee Lease - 5 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-101
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

API NO. (assigned by OCD on New Wells)

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

E-379-4

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work:

DRILL ☒ RE-ENTER ☐ DEEPEN ☐ PLUG BACK ☐

b. Type of Well:

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

7. Lease Name or Unit Agreement Name

South Red Lake Grayburg

2. Name of Operator

S & J Operating Company

8. Well No.

48

3. Address of Operator

P. O. Box 2249, Wichita Falls, Texas 76307

9. Pool name or Wildcat

Red Lake Queen G-B-SA

4. Well Location

Unit Letter M : 1010 Feet From The West Line and 240 Feet From The South Line

Section 36 Township 17S Range 27E NMPM Eddy County

10. Proposed Depth

1900'

11. Formation

Grayburg

12. Rotary or C.T.

Rotary

13. Elevation (Show whether DF, RT, GR, etc.)

3637'

14. Kind & Status Plug Bond

\$50,000 Blanket Bond

15. Drilling Contractor

N/A

16. Approx. Date Work will start

5-1-89

17.

PROPOSED CASING AND CEMENT PROGRAM

| SIZE OF HOLE | SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | SACKS OF CEMENT | EST. TOP |
|--------------|----------------|-----------------|---------------|-----------------|----------|
| 12 1/4 | 8 5/8 | 23# | 350 | 280 sx. | Surface |
| 7 7/8 | 5 1/2 | 15.5# | 1900 | 150 sx. | 1300' |
| | | | | | |

S & J Operating Company proposes to drill a development well in the secondary recovery project known as the South Red Lake Grayburg Unit. This well is needed to obtain production which has been swept to this area by injection wells. No zones of high or unknown pressure will be encountered, therefore, blowout preventers are not necessary.

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

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

SIGNATURE Sandy Robertson TITLE Petroleum Engineer DATE 3-21-89

TYPE OR PRINT NAME

TELEPHONE NO.

(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT**

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

All distances must be from the outer boundaries of the Section.

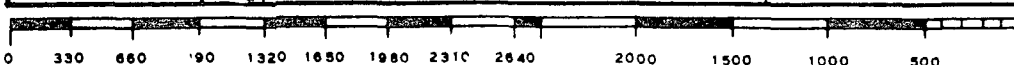
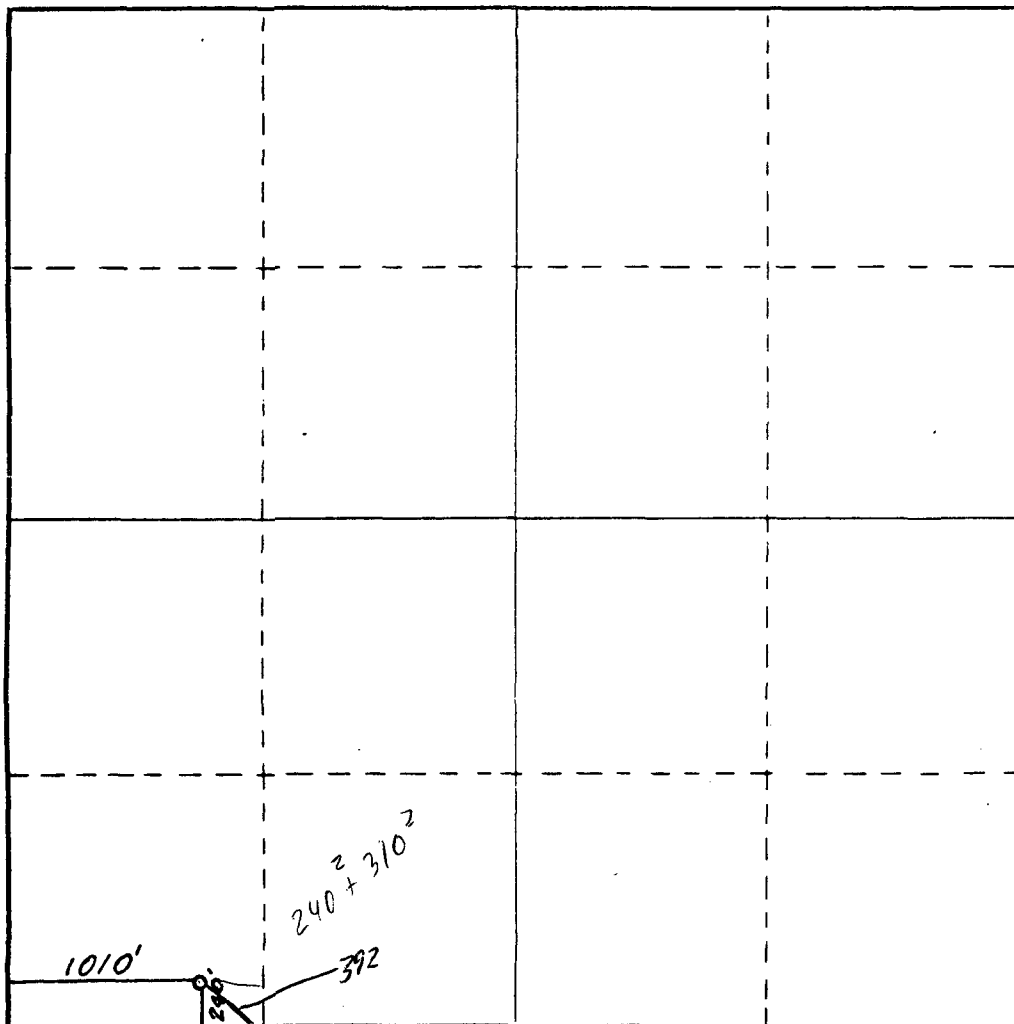
| | | | | | |
|---|--|-------------------------------------|---|---------------------------------------|-----------------------|
| Operator S & J OPERATING COMPANY | | | Lease South Redlake Grayburg Unit | | Well No. 48 |
| Unit Letter M | Section 36 | Township 17 South | Range 27 East | County Eddy County, N.M. | |
| Actual Footage Location of Well: 1010 feet from the West line and 240 feet from the South line | | | | | |
| Ground Level Elev. 3637. | Producing Formation Grayburg | Pool Red Lake Queen G8-SA | | Dedicated Acreage: 40 Acres | |

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation Not Applicable

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.



CERTIFICATION

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

Sandy Robertson

Name

Petroleum Engineer

Position

S & J Operating Company

Company

March 21, 1989

Date

Sandy Robertson

Date Surveyed

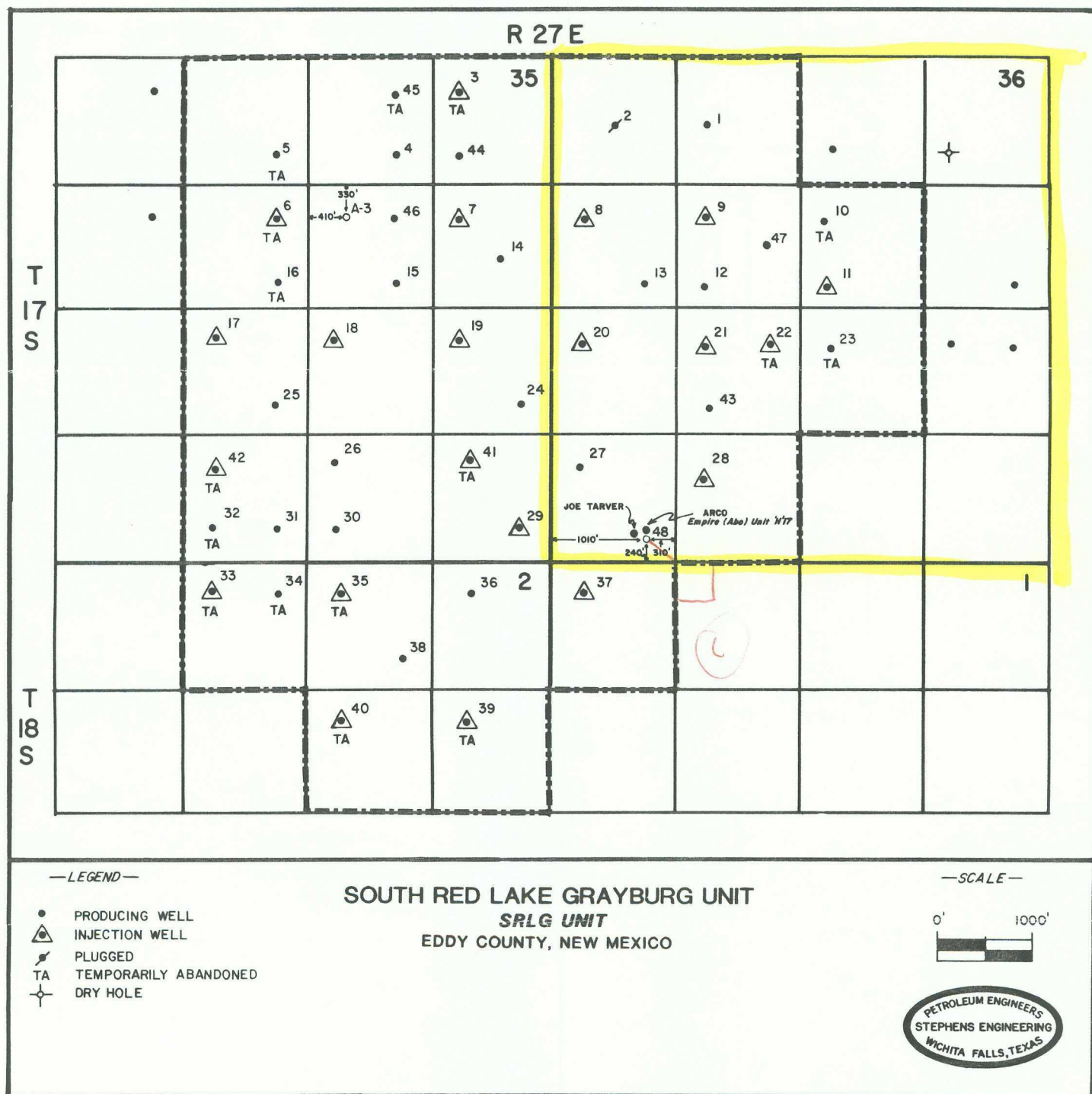
March 10, 1989

Registered Professional Engineer
and/or Land Surveyor

Jan R. Reddy

Certificate No.

NM PE&LS NO. 5412



S & J OPERATING COMPANY

TELEPHONE (817) 723-2166

P.O. BOX 2249

WICHITA FALLS, TEXAS 76307

May 8, 1989

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

Attn: Mike Stogner

Re: Unorthodox Location
South Red Lake Grayburg Unit
Well No. 48
Eddy County, New Mexico

RECEIVED

MAY 10 1989

OIL CONSERVATION DIV.
SANTA FE

Dear Mr. Stogner:

Enclosed please find a waiver which has been signed by Chevron U.S.A. stating they have no objection to the above referenced location. Chevron owns the lease which offsets the South Red Lake Grayburg Unit well No. 48 location to the south.

We respectfully request that a drilling permit be issued for this well. If any other information is needed, please let me know.

Very truly yours,

S & J OPERATING COMPANY

Sandy Robertson

Sandy Robertson

SR/ddc

Encls.

April 12, 1989

WAIVER

CHEVRON U.S.A. (FORMERLY GULF OIL CORPORATION) HAS NO OBJECTION TO S & J OPERATING COMPANY DRILLING THE SOUTH RED LAKE GRAYBURG UNIT WELL NO. 48 AS AN UNORTHODOX DRILLING LOCATION. WE UNDERSTAND THAT THEY PROPOSE TO DRILL THIS WELL IN T17S, R27E, SECTION 36, 1010' FWL AND 240' FSL.

Alan W. Bohling
Signature
Division Proration Engineer
Chevron U.S.A. Inc.

May 4, 1989
Date

S & J OPERATING COMPANY

TELEPHONE (817) 723-2166

P.O. BOX 2249

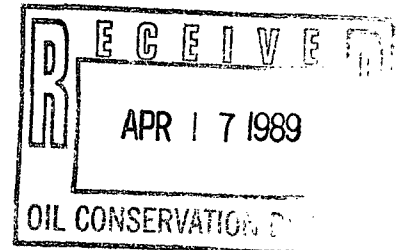
WICHITA FALLS, TEXAS 76307

April 12, 1989

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

Attn: Mike Stogner

Re: Unorthodox Location
South Red Lake Grayburg Unit
Well No. 48
Eddy County, New Mexico



Dear Mr. Stogner:

Enclosed please find a copy of a letter and a waiver which has been mailed to Chevron, U.S.A. in regard to the above referenced well. According to the State Land Office, the SW/4 of the SE/4 of Section 36, which offsets our proposed drilling location, is held by production under lease number E-5313 by Gulf Oil Corporation. Since Gulf Oil Corporation became Chevron, U.S.A. in 1985, we have sent the letter and waiver to them by certified mail and return receipt requested.

It is our understanding of the rules that if within 20 days of the date in which they receive the letter and waiver, you have not received an objection from them, the unorthodox location can be granted administratively by you.

If any further information is needed, please let me know.

Very truly yours,

S & J OPERATING COMPANY

Sandy Robertson

Sandy Robertson

SR/ddc
Encls.

S & J OPERATING COMPANY

TELEPHONE (817) 723-2166

P.O. BOX 2249

WICHITA FALLS, TEXAS 76307

April 12, 1989

Chevron U.S.A.
P. O. Box 1938
Roswell, New Mexico 88201

Re: Waiver of Unorthodox Location
S & J Operating Company
South Red Lake Grayburg Unit
Well No. 48
Eddy County, New Mexico

Gentlemen:

S & J Operating Company has filed with the New Mexico Oil Conservation Division an application for an unorthodox drilling location on the South Red Lake Grayburg Unit. We propose to drill well No. 48 in T17S, R27E, Section 36, 1010' from the west line and 240' from the south line. This location is required since there is an Arco well located at approximately 1010' from the west line and 330' from the south line called the Empire (Abo) Unit H well No. 17.

Enclosed please find a copy of a letter and the application which was sent to Mike Stogner with the New Mexico Oil Conservation Division on March 24, 1989. According to the State Land Office the tract offsetting our proposed drilling location is held by production under lease No. E-5313 by Gulf Oil Corporation. Therefore, by this letter we are notifying you of our application and respectfully requesting that you sign the enclosed waiver indicating you have no objection to this drilling location.

The South Red Lake Grayburg Unit well No. 48 is a development well in the secondary recovery project known as the South Red Lake Grayburg Unit. This well is needed to obtain production which has been swept to this area by injection wells to the east, west and south.

If you have any questions or need any further information,
please let me know.

Very truly yours,

S & J OPERATING COMPANY

Sandy Robertson

Sandy Robertson

SR/dk
Encl.

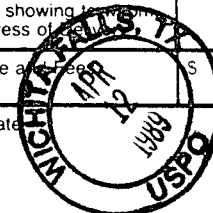
P 663 976 726

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL
(See Reverse)

| | |
|--|---------|
| Sent to Chevron USA | |
| Street and No. P. O. Box 1938 | |
| P.O., State and ZIP Code Roswell, NM 88201 | |
| Postage | \$.25 |
| Certified Fee | .85 |
| Special Delivery Fee | |
| Restricted Delivery Fee | |
| Return Receipt showing to whom and Date Delivered | .90 |
| Return Receipt showing Date, and Address of | |
| TOTAL Postage and Fees | \$ 2.00 |
| Postmark or Date | |

PS Form 3800, June 1985



April 12, 1989

WAIVER

CHEVRON U.S.A. (FORMERLY GULF OIL CORPORATION) HAS NO OBJECTION TO S & J OPERATING COMPANY DRILLING THE SOUTH RED LAKE GRAYBURG UNIT WELL NO. 48 AS AN UNORTHODOX DRILLING LOCATION. WE UNDERSTAND THAT THEY PROPOSE TO DRILL THIS WELL IN T17S, R27E, SECTION 36, 1010' FWL AND 240' FSL.

Alan W. Bohling
Signature
Division Proration Engineer
Chevron U.S.A. Inc.

May 4, 1989
Date

RECEIVED

MAY - 8 1989

OIL CONSERVATION DIV.
SANTA FE

(PEARL-QUEEN (WEST PEARL QUEEN UNIT WATERFLOOD PROJECT EXPANSION) POOL - Cont'd.)

(2) That the expanded waterflood project shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

(3) That monthly progress reports of the expanded waterflood project herein authorized shall be submitted to the Commission in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.

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

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

WITNESSES:
JAMES L. HARRIS
JAMES L. HARRIS

RED LAKE POOL
(South Red Lake Grayburg Unit Waterflood)
Eddy County, New Mexico

Order No. R-2882, Authorizing Archie M. Speir to Institute a Waterflood Project in the South Red Lake Grayburg Unit Area in the Red Lake Pool, Eddy County, New Mexico, March 25, 1965.

Application of Archie M. Speir for a Waterflood Project, Eddy County, New Mexico.

CASE NO. 3212
Order No. R-2882

ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at 9 o'clock a.m. on February 24, 1965, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 25th day of March, 1965, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

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

(2) That the applicant, Archie M. Speir, seeks permission to institute a waterflood project in the Red Lake Pool in the South Red Lake Grayburg Unit Area by the injection of water into the Premier Sand-Grayburg formation through 18 injection wells in Sections 35 and 36, Township 17 South, Range 27

East and in Sections 1 and 2, Township 18 South, Range 27 East, NMPM, Eddy County, New Mexico.

(3) That the wells in the project area are in an advanced state of depletion and should properly be classified as "stripper" wells.

(4) That the proposed waterflood project should result in the recovery of otherwise unrecoverable oil, thereby preventing waste.

(5) That the subject application should be approved and the project should be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

IT IS THEREFORE ORDERED:

(1) That the applicant, Archie M. Speir, is hereby authorized to institute a waterflood project in the Red Lake Pool in the South Red Lake Grayburg Unit Area by the injection of water into the Premier Sand-Grayburg formation through the following-described 18 wells:

EDDY COUNTY, NEW MEXICO

| WELL | NUMBER | LOCATION |
|------|--------|----------|
|------|--------|----------|

SECTION 35, TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM

| | | |
|-------------------------------|----|-----------|
| Wright Oil Co., Ltd., Harbold | 7 | SE/4 NE/4 |
| Wright Oil Co., Ltd., Harbold | 8 | NE/4 NE/4 |
| Wright Oil Co., Ltd., Harbold | 15 | SE/4 NW/4 |
| Carper Drilling Co., Russell | 1 | SE/4 SW/4 |
| Carper Drilling Co., Russell | 4 | SW/4 SE/4 |
| Carper Drilling Co., Magruder | 7 | NE/4 SE/4 |
| Carper Drilling Co., Magruder | 8 | NW/4 SE/4 |
| Carper Drilling Co., Magruder | 9 | NE/4 SW/4 |

SECTION 36, TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM

| | | |
|---------------------------------|----|-----------|
| J. E. Bedingfield, Delhi | 11 | NW/4 SW/4 |
| J. E. Bedingfield, State E-379 | 3 | SW/4 SW/4 |
| J. E. Bedingfield, State E-8318 | 1 | SE/4 NW/4 |
| Rutter & Wilbanks, Magruder | 2 | SW/4 NW/4 |

SECTION 1, TOWNSHIP 18 SOUTH, RANGE 27 EAST, NMPM

| | | |
|----------------------------|---|-----------|
| Wright Oil Co., Ltd., Hill | 3 | NW/4 NW/4 |
|----------------------------|---|-----------|

SECTION 2, TOWNSHIP 18 SOUTH, RANGE 27 EAST, NMPM

| | | |
|-----------------------------------|---|-----------|
| Carper Drilling Co., State A | 1 | NE/4 NW/4 |
| Carper Drilling Co., Wright State | 1 | NW/4 NE/4 |
| Atlantic Refining Co., State | 1 | NE/4 NE/4 |
| Atlantic Refining Co., Turner | 1 | SE/4 NE/4 |
| Rutter & Wilbanks, Hudson | 1 | SW/4 NE/4 |

(2) That the subject waterflood project shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

(3) That monthly progress reports of the waterflood project herein authorized shall be submitted to the Commission in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.

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

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

(SOUTH RED LAKE GRAYBURG UNIT - Cont'd.)**EDDY COUNTY, NEW MEXICO
TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM**

Section 35: All

Section 36: W/2 NE/4, W/2, and NW/4 SE/4

TOWNSHIP 18 SOUTH, RANGE 27 EAST, NMPM

Section 1: Lot 4 (NW/4 NW/4)

Section 2: Lots 1, 2, 3, and 4 (N/2 N/2)

and S/2 N/2

(3) That approval of the proposed unit agreement should promote the prevention of waste and the protection of correlative rights within the unit area.

IT IS THEREFORE ORDERED:

(1) That the South Red Lake Grayburg Unit Agreement is hereby approved.

(2) That the plan contained in said unit agreement for the development and operation of the unit area is hereby approved in principle as a proper conservation measure; provided, however, that notwithstanding any of the provisions contained in said unit agreement, this approval shall not be considered as waiving or relinquishing, in any manner, any right, duty, or obligation which is now, or may hereafter be, vested in the Commission to supervise and control operations for the exploration and development of any lands committed to the unit and production of oil or gas therefrom.

(3) That the unit operator shall file with the Commission an executed original or executed counterpart of the unit agreement within 30 days after the effective date thereof; that in the event of subsequent joinder by any party or expansion or contraction of the unit area, the unit operator shall file with the Commission within 30 days thereafter counterparts of the unit agreement reflecting the subscription of those interests having joined or ratified.

(4) That this order shall become effective upon the approval of said unit agreement by the Commissioner of Public Lands for the State of New Mexico and the Director of the United States Geological Survey; that this order shall terminate ipso facto upon the termination of said unit agreement; and that the last unit operator shall notify the Commission immediately in writing of such termination.

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

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

**MESCAL WASH UNIT
Eddy County, New Mexico**

Order No. R-2884, Approving the Mescal Wash Unit Agreement, Eddy County, New Mexico, March 25, 1965.

Application of Gulf Oil Corporation for approval of the Mescal Wash Unit Agreement, Eddy County, New Mexico.

CASE NO. 3215
Order No. R-2884

ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at 9 o'clock a.m. on March 10, 1965, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 25th day of March, 1965, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

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

(2) That the applicant, Gulf Oil Corporation, seeks approval of the Mescal Wash Unit Agreement covering 21,445.78 acres, more or less, of State, Federal and Fee lands described as follows:

EDDY COUNTY, NEW MEXICO**TOWNSHIP 25 SOUTH, RANGE 23 EAST, NMPM**

Section 34: E/2 and SW/4

Section 35: All

Section 36: All

TOWNSHIP 26 SOUTH, RANGE 22 EAST, NMPM

Section 1: SE/4 and E/2 SW/4

Section 12: E/2 and E/2 W/2

Section 13: E/2 and E/2 W/2

Sections 23 through 26: All

TOWNSHIP 26 SOUTH, RANGE 23 EAST, NMPM

Sections 1 through 5: All

Section 6: E/2 and SW/4

Sections 7 through 24: All

(3) That approval of the proposed unit agreement should promote the prevention of waste and the protection of correlative rights within the unit area.

IT IS THEREFORE ORDERED:

(1) That the Mescal Wash Unit Agreement is hereby approved.

(2) That the plan contained in said unit agreement for the development and operation of the unit area is hereby approved in principle as a proper conservation measure; provided, however, that notwithstanding any of the provisions contained in said unit agreement, this approval shall not be considered as waiving

HIGH LONESOME PENROSE UNIT
Eddy County, New Mexico

Order No. R-2863, Approving the High Lonesome Penrose Unit Agreement, Eddy County, New Mexico, February 11, 1965.

Application of International Oil & Gas Corporation for Approval of the High Lonesome Penrose Unit Agreement, Eddy County, New Mexico.

FILE FOR RECORD
1965-11-11-1965

CASE NO. 3193
Order No. R-2863

ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at 9 o'clock a.m. on January 27, 1965, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 11th day of February, 1965, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

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

(2) That the applicant, International Oil & Gas Corporation, seeks approval of the High Lonesome Penrose Unit Agreement covering 320 acres, more or less, of State and Federal lands described as follows:

EDDY COUNTY, NEW MEXICO

TOWNSHIP 16 SOUTH, RANGE 29 EAST, NMPM
Section 15: E/2

(3) That approval of the proposed unit agreement should promote the prevention of waste and the protection of correlative rights within the unit area.

IT IS THEREFORE ORDERED:

(1) That the High Lonesome Penrose Unit Agreement is hereby approved.

(2) That the plan contained in said unit agreement for the development and operation of the unit area is hereby approved in principle as a proper conservation measure; provided, however, that notwithstanding any of the provisions contained in said unit agreement, this approval shall not be considered as waiving or relinquishing, in any manner, any right, duty, or obligation which is now, or may hereafter be, vested in the Commission to supervise and control operations for the exploration and development of any lands committed to the unit and production of oil or gas therefrom.

(3) That the unit operator shall file with the Commission an executed original or executed counterpart of the unit agreement within 30 days after the effective date thereof; that in the event of subsequent joinder by any party or expansion or contraction of the unit area, the unit operator shall file with the

Commission within 30 days thereafter counterparts of the unit agreement reflecting the subscription of those interests having joined or ratified.

(4) That this order shall become effective upon the approval of said unit agreement by the Commissioner of Public Lands for the State of New Mexico and the Director of the United States Geological Survey; that this order shall terminate ipso facto upon the termination of said unit agreement; and that the last unit operator shall notify the Commission immediately in writing of such termination.

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

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

SOUTH RED LAKE GRAYBURG UNIT
Eddy County, New Mexico

Order No. R-2875, Approving the South Red Lake Grayburg Unit Agreement, Eddy County, New Mexico, March 5, 1965, as Amended by Order No. R-2875-A, August 16, 1965.

Application of Archie M. Speir for Approval of the South Red Lake Grayburg Unit Agreement, Eddy County, New Mexico.

CASE NO. 3211
Order No. R-2875

ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at 9 o'clock a.m. on February 24, 1965, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 5th day of March, 1965, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

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

(2) (As amended by Order No. R-2875-A, August 16, 1965.) That the applicant, Archie M. Speir, seeks approval of the South Red Lake Grayburg Unit Agreement covering 1442.34 acres, more or less, of State and Federal lands described as follows: