



PETROLEUM AND ITS PRODUCTS

GULF OIL CORPORATION

GUARANTY BANK BUILDING
P.O. BOX 2097 • DENVER 1, COLORADO

March 7, 1957

RECEIVED
MAR 11 1957

HERVEY DOW & HINKLE
ROSWELL, NEW MEXICO

DENVER PRODUCTION
DIVISION

PRODUCTION DEPARTMENT

S. H. LETTEER
ZONE SUPERINTENDENT
L. W. LEFAVOUR
ASSISTANT

Hervey, Dow & Hinkle
First National Bank Building
Roswell, New Mexico

Gentlemen:

This will acknowledge receipt of your letter dated March 1, 1957, addressed to our Roswell, New Mexico office and the attached copy of Mr. John J. Eisner's application for approval of unorthodox well locations and spacing units for Pictured Cliffs and Mesaverde formations involving Sections 6 and 7, Township 26N, Range 2W, Rio Arriba County, New Mexico.

Gulf is the owner of oil and gas rights for all formations below the Pictured Cliffs in SW/4 of Section 5-26N-2W. By a farmout agreement, Gulf assigned all operating rights in the SW/4 above the base of the Pictured Cliffs formation to R & G Drilling Company, P. O. Box 1848, Farmington, New Mexico.

We have no objections to the application as submitted.

Very truly yours,


S. H. Letteer

WMH:LEH

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
CASE 1227 D

J. M. HERVEY 1874-1953

HIRAM M. DOW
CLARENCE E. HINKLE
W. E. BONDURANT, JR.
GEORGE H. HUNKER, JR.
HOWARD C. BRATTON
S. B. CHRISTY IV

J. PENROD TOLES
LEWIS C. COX, JR.
PAUL W. EATON, JR.

LAW OFFICES

HERVEY, DOW & HINKLE

FIRST NATIONAL BANK BUILDING

ROSWELL, NEW MEXICO

TELEPHONE MAIN 2-6510

March 1, 1957
(Dict. 2/28/57)

Mr. A. L. Porter
Secretary Director
New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Dear Mr. Porter:

We enclose herewith in triplicate application of John J. Eisner for approval of two unorthodox well locations in Sections 6 and 7 of Township 26-North, Range 2-West, N.M.P.M., and which would be extensions to the Blanco Mesaverde Gas Pool. The application, also, is to permit the dual completion of the well to be located on Lot 1 of Section 7, and to approve Communitization Agreements covering the spacing units for both the Pictured Cliffs and Mesaverde formations.

I discussed this matter informally with Warren Mankin while in Hobbs attending the Conservation hearing yesterday, and he saw no objection to including both wells and the approval of the three spacing units involved in one application since all of the parties involved are the same. He also advised that if the application was received by next Monday that he would be able to get up the notice and have it published so that it could be included in the examiner hearing which I understand is scheduled to be held on March 21 in Farmington.

Under Mr. Eisner's commitment, one of these wells must be started by April 1, and consequently, we are anxious to have the hearing as soon as possible. I would appreciate your calling the writer collect if for any reason this matter can not be set down for hearing on the twenty-first, and I would also appreciate your sending us a copy of the notice which is to be published.

Yours very truly,

HERVEY, DOW & HINKLE

BY: Clarence E. Hinkle

CEH: jy

Encls.

cc: Mr. John J. Eisner
P. O. Box 1158
Abilene, Texas
cc: Mr. Ben Donegan
7114 Central Avenue SE
Albuquerque, New Mexico

NEW MEXICO
OIL CONSERVATION COMMISSION

Form C-128

Well Location and/or Gas Proration Plat

Date _____

Operator John J. Eisner Lease Hanson-Federal

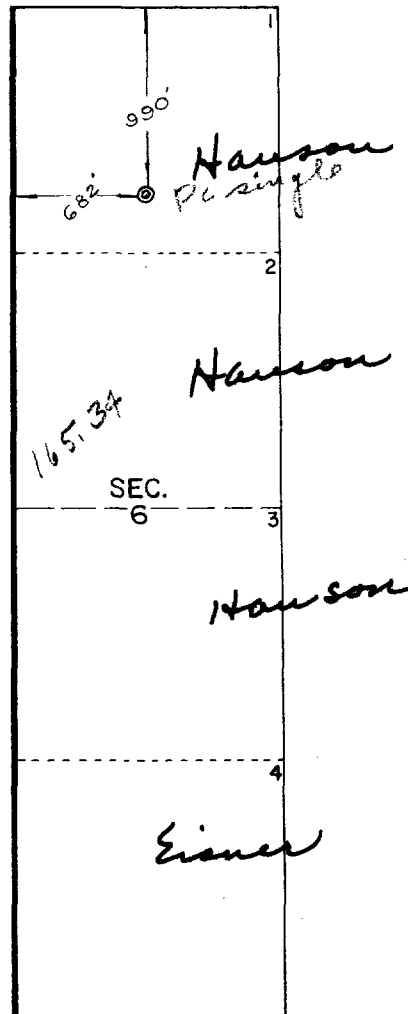
Well No. 1 Section 6 Township 26 North Range 2 West NMPM

Located 990 Feet From North Line, 682 Feet From West Line,

Rio Arriba County, New Mexico. G. L. Elevation _____

Name of Producing Formation _____ Pool _____ Dedicated Acreage _____

(Note: All distances must be from outer boundaries of Section)



BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
CASE 1727 EXHIBIT NO. A

Fractional Section

Area
Lot 1, 39.88 Acres
Lot 2, 41.53 " "
Lot 3, 41.82 " "
Lot 4, 42.11 " "

165.34

NOTE

This section of
form is to be
used for gas
wells only.

SCALE: 1"=1000'

1. Is this Well a Dual Comp. ? Yes No
2. If the answer to Question 1 is yes, are there any other
dually completed wells within the dedicated acreage?
Yes No

Name _____
Position _____
Representing _____
Address _____

This is to certify that the above plat was prepared
from field notes of actual surveys made by me or
under my supervision and that the same are true and
correct to the best of my knowledge and belief.

Date Surveyed February 23, 1957

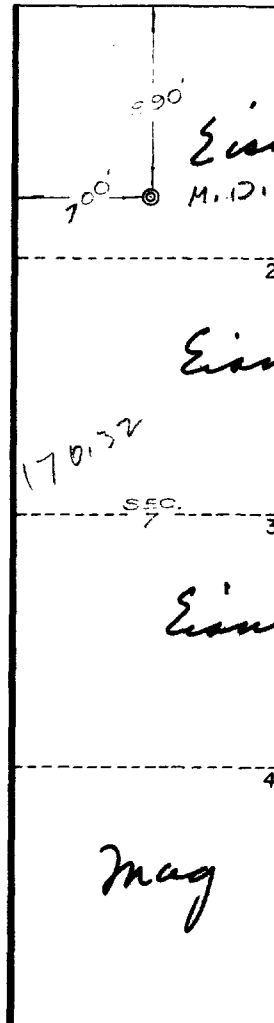
Ernest V. Echhawk
Ernest V. Echhawk
Reg. Land Surveyor, N. Mex., Reg. No. 1545



Form C-128

Date.

(Note: All distances must be from outer boundaries of Section)



N

Fractional Section

- Lot Areas -

| | | |
|----|-------|-------|
| 1. | 42.34 | Acres |
| 2. | 42.50 | " " |
| 3. | 42.66 | " " |
| 4. | 42.82 | " " |

170.32

NOTE

This section of form is to be used for gas wells only.

SCALE: 1"=1000'

1. Is this Well a Dual Comp. ? Yes No
2. If the answer to Question 1 is yes, are there any other
dually completed wells within the dedicated acreage?
Yes No

Address _____

This is to certify that the above data was prepared from field notes of actual surveys made by me or under my supervision and that the same are true and correct to the best of my knowledge and belief.

Date Surveyed February 8, 1957

Earnest F. Tschank

Ernest V. Echonhawk
Reg. Land Surveyor, N. Mex., Reg. No. 1545

EXHIBIT "A" TO COMMUNITIZATION AGREEMENT
COVERING SECTIONS 6 AND 7 OF TOWNSHIP 26-NORTH,
RANGE 2-WEST, N.M.P.M., RIO ARriba COUNTY, NEW MEXICO
OPERATOR: JOHN J. EISNER

Parcel
Tract No. 1

Lessor: United States
Lessee of Record: Ernest A. Hanson
Serial No. of Lease: SF 079995-B
Date of Lease: September 1, 1949
Description of Lands
Committed: Lots 1, 2, and 3 of Section 6, Township 26-
North, Range 2-West, N.M.P.M.
Number of Acres: 123.23 acres, more or less
Working Interest and
Percentage: Ernest A. Hanson
O.R.R.I. and Percentage: None

Parcel
Tract No. 2

Lessor: G. E. Boring, Emma S. Boring, Maurice Osoff
and Frieda M. Osoff, his wife, Jack Mendels-
berg and Rosalie Mendelsberg, his wife,
C. C. Davis and Dortha Davis, his wife, and
Malvin D. Ruckhaus and Anne Ruckhaus, his
wife.
Lessee of Record: John J. Eisner
Date of Lease: December 12, 1955
Description of Lands
Committed: Lot 4 of Section 6, and Lots 1, 2, and 3 of
Section 7, Township 26-North, Range 2-West.
Number of Acres: 109.61 acres, more or less.
Working Interest and
Percentage: John J. Eisner - 75%
O.R.R.I. and Percentage: Lessors - 1/4 royalty
Provision of Pool Lease
Authorizing Pooling: The following provision contained in the lease
authorizes pooling: "Lessee, at his option,
is hereby given the right and power to pool or
combine the acreage covered by this lease, or
any portion thereof, with other land, lease or
leases, in the immediate vicinity thereof for

the purpose of forming a drilling and/or proration unit in conformity with the rules and regulations of the New Mexico Oil Conservation Commission, applicable statutes, or the rules and regulations of any governmental authority. For the purposes of this provision, such unit shall not exceed 160 acres, more or less, for Pictured Cliffs production nor more than 320 acres, more or less, for Mesaverde production."

Parcel
Tract No. 3

| | |
|----------------------------------|--|
| Lessor: | United States |
| Lessee of Record: | Luther Cullins (lease is in process of being assigned to Magnolia Petroleum Company) |
| Date of Lease: | September 1, 1949 |
| Serial No. of Lease: | Santa Fe serial number 079995-A |
| Description of Lands Committed: | Lot 4 of Section 7, Township 26-North, Range 2-West, N.M.P.M. |
| Number of Acres: | 42.82 acres, more or less |
| Working Interest and Percentage: | Magnolia Petroleum Company - 84.5% |
| O.R.R.I. and Percentage: | Martha Featherstone - 3% |

APPROVAL - CERTIFICATION - DETERMINATION

Pursuant to the authority vested in the Secretary of the Interior under the Act approved February 25, 1920, 41 Stat. 437, 30 U.S.C. secs. 181 et seq., as amended by the Act of August 8, 1946, 60 Stat. 950, and delegated to the Director of the Geological Survey, pursuant to Departmental Order No. 2365 of October 8, 1947, 43 CFR sec. 4.618, 12 FR 5794, I do hereby:

- A. Approve the attached communitization agreement covering Lots 1, 2, 3, and 4 of Section 6 and Lots 1, 2, 3, and 4 of Section 7, Township 26-North, Range 2-West, N.M.P.M., Rio Arriba County, New Mexico.
- B. Determine that the Federal lease or leases as to the lands committed to the attached agreement cannot be independently developed and operated in conformity with the well spacing program established for the field or area in which said lands are located, and that consummation and approval of the agreement will be in the public interest.
- C. Certify and determine that the drilling, producing, rental, minimum royalty and royalty requirements of the Federal lease or leases committed to said agreement are hereby established, altered, changed or revoked to conform with the terms and conditions of the agreement.

Acting *William S. Baker*
Director, United States Geological
Survey

Dated MAY 13 1957

Contract No. 14-08-001-3828