



SHELL OIL COMPANY

Post Office Box 1200
Farmington, New Mexico

April 1, 1963

Subject: Cabezon Unit
No. 14-08-0001-7820
Sandoval County, New Mexico
Application for Formal Approval
of Expansion

State of New Mexico
Oil Conservation Commission
Post Office Box 871
Santa Fe, New Mexico

Attention Mr. A. L. Porter, Jr.
Secretary - Director

Gentlemen:

On March 12, 1962, Shell Oil Company as Unit Operator received preliminary approval to the expansion of our Cabezon Unit, No. 14-08-0001-7820, from the Oil Conservation Commission of the State of New Mexico, as well as the approval of the Commissioner of Public Lands and the United States Geological Survey. We now request final approval of this expansion and in this connection enclose our letter to the United States Geological Survey, evidencing our fulfillment of the provisions of Section 2 of said Unit Agreement, together with the necessary enclosures.

This expansion is requested in order that we may drill a stratigraphic test on the flank of the Pennsylvanian structure, which we believe will increase greatly our potential in exploring for more favorable porosity. This test is to be located in the SW/4 SW/4 of Section 7, T. 17 N., R. 3 W., N.M.P.M., Sandoval County, New Mexico.

Shell Oil Company as Operator of the Cabezon Unit hereby respectfully requests that, in view of the foregoing, final approval of this expansion be granted effective as of the date of approval by the Oil Conservation Commission.

Very truly yours,

F. W. Nantker
F. W. Nantker
Division Land Manager

JEM:BC

Enclosure

cc - Commissioner of Public Lands
Post Office Box 791
Santa Fe, New Mexico

Approved *4/9* 19 *63*

A. L. Porter Jr.
Secretary - Director

NEW MEXICO OIL CONSERVATION COMMISSION

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

April 9, 1963

Shell Oil Company
P. O. Box 1200
Farmington, New Mexico

Attention: Mr. F. W. Nantker

Re: Expansion of Unit Area
Cabezon Unit, Sandoval
County, New Mexico

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date granted final approval of the expansion of the Unit Area of the Cabezon Unit, Sandoval County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

One approved copy of the letter of application is handed to Mr. James E. Mathews.

Very truly yours,

A. L. PORTER, Jr.,
Secretary-Director

ALP/JEK/ig

cc: Commissioner of Public Lands
Santa Fe, New Mexico

United States Geological Survey
Roswell, New Mexico

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

March 12, 1952

Shell Oil Company
P. O. Box 1200
Farmington, New Mexico

Attention: Mr. F. W. Nantker

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the expansion of the Cabezon Unit Area, Sandoval County, New Mexico, to include some 9,601.69 additional acres, subject to like approval being obtained from the United States Geological Survey and from the Commissioner of Public Lands for the State of New Mexico.

The lands added to the unit are described as follows:

TOWNSHIP 17 NORTH, RANGE 3 WEST
Sections 4, 5, 6, 7, and 8: All
Section 9: N/2
Section 18: All

TOWNSHIP 17 NORTH, RANGE 4 WEST
Section 1: SE/4
Sections 11, 12, 13, 14, 23, and
24: All

TOWNSHIP 18 NORTH, RANGE 3 WEST
Section 31: SE/4
Sections 32, and 33: All

Very truly yours,

A. L. PORTER, Jr.,
Secretary-Director

ALF/DSN/ig

cc: United States Geological Survey - Roswell
Commissioner of Public Lands - Santa Fe



SHELL OIL COMPANY

Post Office Box 1200
Farmington, New Mexico

March 2, 1962

Subject: Cabezon Unit
14-08-0001-7820
Sandoval County, New Mexico
Preliminary Request for
Approval of Proposed Expansion
of Cabezon Unit
Case No. 2407, Order No. R2113

State of New Mexico
Oil Conservation Commission
Post Office Box 871
Santa Fe, New Mexico

Attention Mr. A. L. Porter, Jr.
Secretary-Director

Gentlemen:

Pursuant to the telephone conversation between our Mr. Nantker and your Mr. Nutter, who was the Hearing Examiner in the above-mentioned case, we propose to expand the Cabezon Unit as outlined in the letter to the United States Geological Survey attached hereto. Pursuant to Paragraph 4(b) of the Order, the Secretary-Director can give administrative approval to the expansion of the Cabezon Unit. You will note that there are no State lands involved in the expanded Area, but due to the fact that we plan to drill an additional well if this expansion is approved, we feel that it would benefit State acreage off the crest of the structure as shown in the attached Geological Report.

We would appreciate your keeping this geological information confidential and if the Secretary-Director is in agreement with this expansion, we would appreciate your signing and returning the duplicate copy of this letter or giving us some other evidence of your approval of our action, subject to the approval of the U. S. Geological Survey and the Commissioner of Public Lands.

Very truly yours,

F. W. Nantker
Division Land Manager

FWN:MPD

Attachments

cc - Commissioner of Public Lands (wo/attachs.)
Post Office Box 791
Santa Fe, New Mexico



SHELL OIL COMPANY

Post Office Box 1200
Farmington, New Mexico

April 1, 1963

Subject: Cabezon Unit
No. 14-08-0001-7820
Sandoval County, New Mexico
Application for Formal Approval
of Expansion

State of New Mexico
Commissioner of Public Lands
Post Office Box 791
Santa Fe, New Mexico

Attention Mrs. Marion Rhea


Gentlemen:

On March 6, 1962, Shell Oil Company as Unit Operator received preliminary approval to the expansion of our Cabezon Unit, No. 14-08-0001-7820, from the Commissioner of Public Lands of the State of New Mexico, as well as the approval of the Oil Conservation Commission and the United States Geological Survey. We now request final approval of this expansion and in this connection enclose our letter to the United States Geological Survey, evidencing our fulfillment of the provisions of Section 2 of said Unit Agreement, together with the necessary enclosures.

This expansion is requested in order that we may drill a stratigraphic test on the flank of the Pennsylvanian structure, which we believe will increase our potential in exploring for more favorable porosity. This test is to be located in the SW/4 SW/4 of Section 7, T. 17 N., R. 3 W., N.M.P.M., Sandoval County, New Mexico.

Shell Oil Company as Operator of the Cabezon Unit hereby respectfully requests that, in view of the foregoing, final approval of this expansion be granted effective as of the date of approval by the Commissioner of Public Lands.

Very truly yours,


F. W. Nantker
Division Land Manager

JEM:GC

Enclosure

cc - Oil Conservation Commission
Post Office Box 871
Santa Fe, New Mexico

4-10 COPY FOR [illegible]



SHELL OIL COMPANY

Post Office Box 1200
Farmington, New Mexico

April 1, 1963

Subject: Cabezon Unit
No. 14-08-0001-7820
Sandoval County, New Mexico
Application for Approval of Expansion

Director
United States Geological Survey
Washington 25, D. C.

Through

Supervisor
United States Geological Survey
Drawer 1857
Roswell, New Mexico

Gentlemen:

On March 19, 1962, Shell Oil Company as Unit Operator of the Cabezon Unit received preliminary approval from the United States Geological Survey, the Commissioner of Public Lands, and the Oil and Gas Conservation Commission of the State of New Mexico to the expansion of our Cabezon Unit Area to the north and west, subject to our complying with the provisions of Section 2 of said Unit Agreement. In order to complete geophysical operations in the area and due to an unfavorable cash position, Shell Oil Company found it necessary to obtain a six-month extension of the second well obligation to December 13, 1962. A second extension, to June 13, 1963, was obtained on November 27, 1962, in order to allow Shell Oil Company additional time to complete negotiations for outside financing with which to drill the second Unit well.

The proposed area of expansion embraces 9,601.69 acres, of which 8,641.68 acres or 90 per cent is Federal acreage; 480.01 acres or 5 per cent is Navajo Indian Allotted land; and 480.00 acres or 5 per cent is Fee acreage.

Clyde B. Harvey, owner of three Federal oil and gas leases designated as Tracts 42, 43 and 44; Alex J. Keller, owner of a Federal oil and gas lease designated as Tract No. 45; Pauline Swinehart, owner of a Federal oil and gas lease designated as Tract No. 74; and Beard Oil Company, owner of a Federal oil and gas lease designated as Tract No. 61, were invited to commit their working interests to the Unit and declined to join. One Fee owner, Mrs. Romelia Maestas, designated as Tract No. 84, was invited to join the Unit or decline; however, we received no answer from this party. We have received Consents and Joinders from all the overriding royalty interest holders on the lands committed to the expanded area.

Director
United States Geological Survey
Through
Supervisor
United States Geological Survey

2

This expansion is requested in order that we may drill a stratigraphic test on the flank of the Pennsylvanian structure, which we believe will increase greatly our potential in exploring for more favorable porosity. This test is to be located in the SW/4 SW/4 of Section 7, T. 17 N., R. 3 W., N.M.P.M., Sandoval County, New Mexico.


In compliance with Section 2 of the Cabezon Unit Agreement we enclose the following documents:

1. Exhibit "A", map showing the present Unit and the proposed expanded Unit outline with various lease dates.
2. Exhibit "B", schedule showing lease data on the proposed expanded Unit.
3. Notice of Proposed Expansion of the Cabezon Unit Area.
4. Consent and Joinder in the Cabezon Unit Agreement, Sandoval County, New Mexico, executed by the overriding royalty holders.
5. Consent of Working Interest Owners to Commitment of Interests to the Cabezon Unit and Unit Operating Agreement, executed by the working interest owners.
6. Commitment of Interests to the Cabezon Unit Operating Agreement executed by the working interest owners.
7. Commitment of Interests to the Cabezon Unit Agreement executed by the working interest owners.
8. Letters from working interest owners who did not consent to joining the Unit.

Shell Oil Company as Operator of the Cabezon Unit hereby respectfully requests that, in view of the foregoing, approval of this application for expansion be granted effective as of the date of approval by the Director.

Very truly yours,

SHELL OIL COMPANY


F. W. Nantker
Division Land Manager

JEM:GC

Attachments