

Unit Name LOAFER DRAW UNIT (EXPLORATORY)
Operator CITIES SERVICE OIL COMPANY
County EDDY

QCE

DATE	OCC CASE NO. 5095	EFFECTIVE DATE	TOTAL ACREAGE	STATE	FEDERAL	INDIAN-FEE	SEGREGATION CLAUSE	TERM
<u>APPROVED</u>	<u>OCC ORDER NO. R-4662</u>	<u>DATE</u>	<u>ACREAGE</u>	<u>STATE</u>	<u>FEDERAL</u>	<u>INDIAN-FEE</u>	<u>SEGREGATION CLAUSE</u>	<u>TERM</u>
Commissioner	11-16-73	11-23-73	5,843.52	400.00	5,363.52	80.00	Yes	5 years
11-19-73								

UNIT AREA

TOWNSHIP 21 SOUTH, RANGE 21 EAST, NMPM
Sections 12 and 13: All

TOWNSHIP 21 SOUTH, RANGE 22 EAST, NMPM

Sections 7 and 8: All
Section 9: W/2
Section 16: W/2
Sections 17 through 20: All
Section 21: W/2

TERMINATED
6-30-74
ELB

Unit Name
Operator
County

LOAFER DRAW UNIT (EXPLORATORY)
CITIES SERVICE OIL COMPANY
EDDY

STATE TRACT NO.	LEASE NO.	INSTI-TUTION	SEC.	TWP.	RGE.	SUBSECTION	RATIFIED DATE	ACRES	ACREAGE NOT RATIFIED	LESSEE
20	L-6421	C.S.	16	21S	22E	W/2	10-30-73	320.00		Midwest Oil Corporation
21	L-7032	C.S.	13	21S	21E	SE/4NE/4	NOT COMMITTED		40.00	The Eastland Oil Co.
22	LG-1365	P.B.	19	21S	22E	SW/4SE/4	11-1-73	40.00		Hayes Oil Company

TERMINATED
CA. 6-30-74

THE EASTLAND OIL COMPANY

704 WESTERN UNITED LIFE BUILDING
MIDLAND, TEXAS 79701
TELEPHONE: 683-2398 563-0343



803 CONTINENTAL LIFE BUILDING
FORT WORTH, TEXAS 76102
TELEPHONE: 332-2539

704 Western United Life Building
Midland, Texas 79701

November 1, 1973

Cities Service Oil Company
800 Vaughn Building
Midland, Texas 79701

Attention: Mr. J. Frank Riney

Re: Proposed Loafer Draw Unit
Portions of T-21-S,
R-21 & 22-E,
Eddy County, New Mexico

Gentlemen:

After careful consideration, we have decided not to commit our acreage (SE/4 NE/4 of Section 13, T-21-S, R-21-E) to your proposed subject Unit. Because of our limited acreage position and due to the fact that we have partners in our tract to further reduce our interest, we feel that participating on a working interest basis in a Unit of the proposed size would be prohibitive.

However, should the proposed Unit be formed and the Unit desires to drill on a proration unit which encompasses our acreage, Eastland et al will either, (1) participate based on its interest in the proration unit, or (2) farmout on an equitable basis to a party that desires to participate.

Hopefully, this arrangement will be satisfactory and will enable you to pursue the formation of this Unit.

Very truly yours,

THE EASTLAND OIL COMPANY

Geo. A. Donnelly, Jr.
Geo. A. Donnelly, Jr.

GAD,JR:kbb

RECEIVED
NOV 2 1973

Cities Service Oil
Southwestern Reg.



OIL CONSERVATION COMMISSION

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

November 16, 1973

I. R. TRUJILLO
CHAIRMAN
LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER
STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

Mr. Tom Kellahin
Kellahin & Fox
Attorneys at Law
Post Office Box 1769
Santa Fe, New Mexico

Re: CASE NO. 5094 and 5095
ORDER NO. R-4662 - R-4661
Applicant:
Cities Service Oil Company

Dear Sir:

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

Very truly yours,

A. L. Porter, Jr.

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC	<u>x</u>
Artesia OCC	<u>x</u>
Aztec OCC	

Other Unit Division - State Land Office



United States Department of the Interior

GEOLOGICAL SURVEY

Drawer 1857
Roswell, New Mexico 88201

November 23, 1973

Cities Service Oil Company
800 Vaughn Building
Midland, Texas 79701

Attention: Mr. Frank Riney

Gentlemen:

Three approved copies of the Loafer Draw unit agreement, Eddy County, New Mexico, with Cities Service Oil Company as operator, are enclosed. Such agreement has been assigned No. 14-08-0001-13807 and is effective November 23, 1973, the same date as approved.

You are requested to furnish the New Mexico Oil Conservation Commission and all other interested principals with appropriate evidence of this approval.

Sincerely yours,

RIG. 3011 N. O.

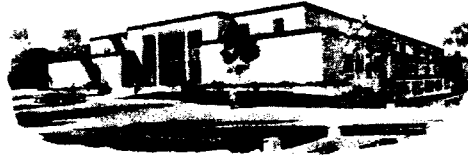
N. O. FREDERICK
Area Oil and Gas Supervisor

cc:

NMOCC, Santa Fe (ltr only)
Com. Pub. Lands, Santa Fe (ltr only)
Area Geologist, Roswell (ltr only)
Artesia (w/cy appln)

JFSims:ds

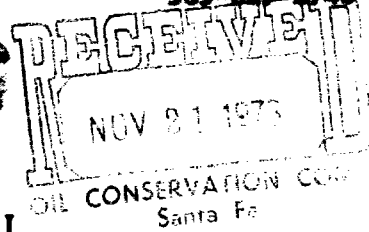
State of New Mexico



Commissioner of Public Lands

November 19, 1973

TELEPHONE
505-822-2348



ALEX J. ARMIJO
COMMISSIONER

P. O. BOX 1148
SANTA FE, NEW MEXICO

Cities Service Oil Company
800 Vaughn Building
Midland, Texas 79701

Re: Loafer Draw Unit
Eddy County, New Mexico

ATTENTION: Mr. J. Frank Riney

Gentlemen:

The Commissioner of Public Lands has this date approved your Loafer Draw Unit, Eddy County, New Mexico, subject to like approval by the United States Geological Survey.

Enclosed are five (5) Certificates of approval.

Please advise this office when the United States Geological Survey has approved this unit so that we may finish processing the unit and ascertain the effective date.

Your filing fee in the amount of One Hundred and Ten (\$110.00) Dollars has been received.

Very truly yours,

RAY D. GRAHAM, Director
Oil and Gas Department

AJA/RDG/s
encls.
cc:

USGS-Roswell, New Mexico
OCC- Santa Fe, New Mexico ✓



United States Department of the Interior

GEOLOGICAL SURVEY

Drawer 1857
Roswell, New Mexico 88201

November 23, 1973

Cities Service Oil Company
803 Vaughn Building
Midland, Texas 79701

Attention: Mr. Frank Riney

Gentlemen:

Three approved copies of the Loafer Draw unit agreement, Eddy County, New Mexico, with Cities Service Oil Company as operator, are enclosed. Such agreement has been assigned No. 14-08-0001-13807 and is effective November 23, 1973, the same date as approved.

You are requested to furnish the New Mexico Oil Conservation Commission and all other interested principals with appropriate evidence of this approval.

Sincerely yours,

N. O. FREDERICK
Area Oil and Gas Supervisor



CITIES SERVICE OIL COMPANY

800 Vaughn Building
Midland, Texas 79701
Telephone: 915 684-7131

November 26, 1973

State of New Mexico
The Oil Conservation Commission
P. O. Box 2088
Santa Fe, NM 87501

Subject: NMC-3674 Loafer Draw Unit
T-21-S, R-21 & 22-E
Eddy County, New Mexico
(Oil Conservation Commission Order #R-4662)

Gentlemen:

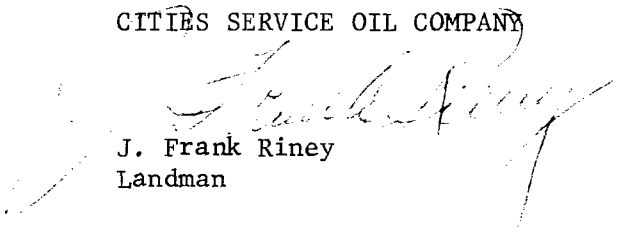
Your office approved the subject Unit by Order #R-4662 on November 16, 1973. We are enclosing a xerox copy of a letter from the United States Geological Survey dated November 23, 1973 in which they advise us that the Loafer Draw Unit was approved as of November 23, 1973.

We are enclosing an executed original copy of the Unit Agreement as set out under Paragraph 3, page 2 of the above mentioned Order.

The only Working Interest Owner involved that did not execute the Unit Agreement, was Eastland Oil Company, the Working Interest Owner on Tract 21. We are enclosing a copy of their letter in which they refuse to commit their acreage to the Unit.

Yours very truly,

CITIES SERVICE OIL COMPANY


J. Frank Riney
Landman

JFRii

Enclosures

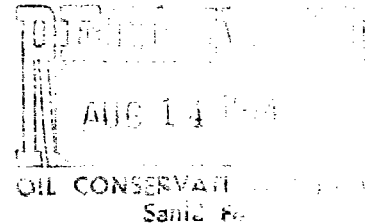


United States Department of the Interior

GEOLOGICAL SURVEY
Drawer 1857
Roswell, New Mexico 88201

August 13, 1974

Cities Service Oil Company
Attention: Mr. J. Frank Riney
800 Vaughn Building
Midland, Texas 79701



Gentlemen:

The Loafer Draw unit agreement, No. 14-08-0001-13807, Eddy County, New Mexico, was approved November 23, 1973, by the Area Oil and Gas Supervisor, effective as of the date of approval. The term of such agreement is contingent upon the unit operator drilling one well at a time, allowing not more than six months' time between the completion of one well and the beginning of the next well, until a well capable of producing unitized substances in paying quantities is completed.

Our records show the first test well completion attempts failed to obtain commercial production and were concluded on January 30, 1974. Accordingly, the second test well was due to be commenced June 30, 1974. Inasmuch as the second test well was not commenced, the Loafer Draw unit agreement is considered to have terminated automatically as of June 30, 1974, pursuant to Section 9 of the agreement.

Sincerely yours,

(ORIG. SGD.) CARL C. TRAYWICK

CARL C. TRAYWICK
Acting Area Oil and Gas Supervisor

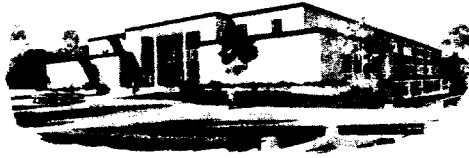
cc:
BLM, Santa Fe
NMOCC, Santa Fe
Com. Pub. Lands, Santa Fe
Area Geologist, Roswell
Artesia

JAGillham:ds

Note to BLM: All committed Federal leases within the subject Loafer Draw unit should be considered for 2-year extensions pursuant to 43 CFR 3107.5, as applicable.

State of New Mexico

TELEPHONE
505-827-2748



Commissioner of Public Lands

ALEX J. ARMIJO
COMMISSIONER

August 15, 1974

P. O. BOX 1148
SANTA FE, NEW MEXICO

REGISTERED MAIL

Cities Service Oil Company
800 Vaughn Building
Midland, Texas 79701

Re: Loafer Draw Unit
TERMINATION
Eddy County, New Mexico

ATTENTION: Mr. J. Frank Riney

Gentlemen:

Your completion report of the initial test well on the Loafer Draw Unit, Eddy County, New Mexico, shows that the drilling was concluded January 30, 1974. Section 9 of the agreement states that "the Unit Operator shall continue drilling one well at a time, allowing not more than 6 months between the completion of one well and the beginning of the next well, until a well capable of producing unitized substances in paying quantities is completed".

Since you failed to obtain commercial production from your first test well and you did not start your second test well, which was due June 30, 1974, the Loafer Draw unit agreement terminated automatically as of June 30, 1974.

Please notify all interested parties of this action.

Very truly yours,

RAY D. GRAHAM, Director
Oil and Gas Department

AJA/RDG/s

cc: USGS-Roswell, New Mexico
OCC- Santa Fe, New Mexico



United States Department of the Interior

GEOLOGICAL SURVEY

Drawer 1857
Roswell, New Mexico 88201

2015
August 20, 1974

Cities Service Oil Company
Attention: Mr. J. Frank Riney
800 Vaughn Building
Midland, Texas 79701

Gentlemen:

The August 13, 1974, letter from this office stated that the Loafer Draw unit agreement, No. 14-08-0001-13807, Eddy County, New Mexico, was considered to have terminated automatically as of June 30, 1974. Inasmuch as our records show the first test well was completed as a non-producer on January 30, 1974, the second test well was not due to be commenced until July 30, 1974, pursuant to Section 9 of the unit agreement. Accordingly, by this letter you are advised that the Loafer Draw unit agreement is considered to have terminated automatically as of July 30, 1974, and not the date cited above. Please note your records accordingly.

Sincerely yours,

(ORIG. SGD.) CARL C. TRAYWICK

CARL C. TRAYWICK
Acting Area Oil and Gas Supervisor

cc:
BLM, Santa Fe
✓ NMOCC, Santa Fe
Com. Pub. Lands, Santa Fe
Area Geologist
Artesia

JAGillham:ds

Note to BLM: Please note your records to reflect the Loafer Draw correct automatic termination date as July 30, 1974, and all committed Federal leases within such unit should be considered for 2-year extensions from this date pursuant to 43 CFR 3107.5, as applicable.

