



SHELL OIL COMPANY

P. O. Box 1858
Roswell, New Mexico

October 19, 1961

Subject: Plan of Development, Henshaw Deep
Unit, Eddy County, New Mexico

Oil and Gas Supervisor
United States Geological Survey
P. O. Drawer 1857
Roswell, New Mexico

Commissioner of Public Lands
State of New Mexico
State Land Building
Santa Fe, New Mexico

Oil Conservation Commission
State of New Mexico
State Land Building
Santa Fe, New Mexico

Gentlemen:

The revised plan of development for 1961 on the Henshaw Deep Unit was approved by the Commissioner of Public Lands on July 26, 1961, by the Secretary-Director of the New Mexico Oil Conservation Commission on September 5, 1961, and by the Supervisor of the United States Geological Survey on August 7, 1961.

This revised plan of development proposed the drilling of two additional Pennsylvanian tests (Henshaw Deep Unit 3 and 4) during the remainder of 1961.

Yours very truly,

R. L. Rankin
Division Production Manager

cc: Carper Drilling Company
Humble Oil & Refining Company
Mr. J. I. O'Neill
Delhi-Taylor Oil Corporation
Texaco Inc.

REVISED PLAN OF DEVELOPMENT
FOR THE CALENDAR YEAR 1961
HENSHAW DEEP UNIT (NO. 14-08-001-6453)
EDDY COUNTY, NEW MEXICO

OIL AND GAS SUPERVISOR (6)
UNITED STATES GEOLOGICAL SURVEY
P. O. DRAWER 1857
ROSWELL, NEW MEXICO

COMMISSIONER OF PUBLIC LANDS (5)
STATE OF NEW MEXICO
STATE LAND BUILDING
SANTA FE, NEW MEXICO

OIL CONSERVATION COMMISSION (5)
STATE OF NEW MEXICO
STATE LAND BUILDING
SANTA FE, NEW MEXICO

Gentlemen:

In compliance with Section 10 of the Henshaw Deep Unit Agreement, Shell Oil Company, as Unit Operator, hereby submits for your approval a Revised Plan of Development for the remainder of the year 1961.

The initial test, Henshaw Deep Unit 1 located in NE/4 NW/4 Section 24-16S-30E, was originally completed as a non-commercial well in the Devonian. The well was recompleted on December 2, 1960, flowing 171 barrels of oil per day from Pennsylvanian perforations 8822 to 8830 feet. By letter dated January 27, 1961, the Regional Oil and Gas Supervisor for the USGS concurred with the determination that the Pennsylvanian completion constitutes the discovery of a unitized substance in paying quantities in accordance with the terms of the Henshaw Deep Unit Agreement. A 360-acre initial participating area for the discovery well was approved by the Acting Director of the United States Geological Survey on March 31, 1961.

Henshaw Deep Unit 2, a 10,000-foot test, located in the SW/4 SE/4 of Section 24-16S-30E was completed April 9, 1961, flowing 263 barrels of oil per day from Pennsylvanian perforations 9124 to 9132 feet. This pay interval proved to be a limited reservoir. Henshaw Deep Unit 2 was subsequently plugged back to 8870 feet and is currently producing from perforations 8753 to 8763 feet.

The Operator proposes to drill two additional Pennsylvanian tests near the two existing producers during the remainder of 1961 in the Henshaw Deep Unit.

This plan of development shall constitute the drilling obligations of the Unit Operator under the terms of the Henshaw Deep Unit Agreement for the

July 20, 1961

period ending December 31, 1961. Before this plan expires, another plan for further development of the Unit Area will be submitted.

It is understood that portions of the Plan of Development herein outlined are dependent upon certain information to be gained prior and subsequent to drilling and, therefore, this Plan of Development may be modified from time to time, with like approval, to meet changing conditions.

SHELL OIL COMPANY
Unit Operator

By _____
R. L. Rankin

Approved _____ DATE _____
Supervisor, United States Geological Survey

Approved _____ DATE _____
Commissioner of Public Lands

Approved _____ DATE _____
Oil Conservation Commission



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Drawer 1857
Roswell, New Mexico

August 7, 1961

Case 173

Shell Oil Company
P.O. Box 1858
Roswell, New Mexico

Attention: Mr. R. L. Rankin

Gentlemen:

Your supplemental plan of development dated July 20, 1961, for the Henshaw Deep unit area, Eddy County, New Mexico, which proposes the drilling of two Pennsylvanian wells, has been approved on this date subject to like approval by the appropriate State officials.

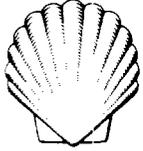
Three copies of the approved plan are enclosed.

Very truly yours,
[Orig. Sgd.] JOHN A. ANDERSON

JOHN A. ANDERSON
Regional Oil and Gas Supervisor

Copy for [illegible] (copy of plan)
Artesia (w/cy of plan)
NMOCC, Santa Fe (itr. only)

ILLEGIBLE



SHELL OIL COMPANY

P. O. Box 1858
Roswell, New Mexico

May 17, 1961

Subject: Plan of Development, Henshaw Deep
Unit, Eddy County, New Mexico

Oil and Gas Supervisor
United States Geological Survey
P. O. Drawer 1857
Roswell, New Mexico

Commissioner of Public Lands
State of New Mexico
State Land Building
Santa Fe, New Mexico

Oil Conservation Commission
State of New Mexico
State Land Building
Santa Fe, New Mexico

Gentlemen:

The original plan of development for 1961 on the Henshaw Deep Unit was approved by the Commissioner of Public Lands on April 12, 1961, by the Secretary-Director of the New Mexico Oil Conservation Commission on April 28, 1961, and by the Supervisor of the United States Geological Survey on May 11, 1961.

This plan of development proposed the drilling of no additional wells during the remainder of 1961.

Yours very truly,

R. L. Rankin
Division Production Manager

cc: Carper Drilling Company
Humble Oil & Refining Company
Mr. J. I. O'Neill
Pan American Petroleum Company
Three States Natural Gas Company
Texaco Inc.



IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Drawer 1857
Roswell, New Mexico

May 11, 1961

Shell Oil Company
P.O. Box 845
Roswell, New Mexico

Attention: Mr. R. L. Rankin

Gentlemen:

Your plan of development for 1961, received in this office on February 23, 1961, for the Henshaw Deep unit area, Eddy County, New Mexico, which proposes the drilling of no additional wells, has been approved on this date subject to like approval by the appropriate State officials.

Three approved copies of the plan are enclosed.

Very truly yours,

[Orig. Signed]

JOHN A. ANDERSON
Regional Oil and Gas Supervisor

Copy to: Washington (w/cy of plan)
Atesia (w/cy of plan)
NMOCC, Santa Fe (ltr. only)

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

April 28, 1961

Shell Oil Company
P. O. Box 845
Roswell, New Mexico

Attention: Mr. R. L. Rankin

Re: 1961 Plan of Development
Henshaw Deep Unit Eddy
County, New Mexico.

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the 1961 Plan of Development for the Henshaw Deep Unit Eddy 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.

Two approved copies of the plan are returned herewith.

Very truly yours,

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

ALP/JEK/ig

cc: US Geological Survey
Roswell, New Mexico

Commissioner of Public Lands
Santa Fe, New Mexico

200 # 1001
April 12, 1961

ILLEGIBLE

Shell Oil Company
P. O. Box 845
Roswell, New Mexico

Re: Henshaw Deep Unit
Eddy County, New Mexico

Attention: Mr. R. L. Rankin

Gentlemen:

The Commissioner of Public Lands has approved the 1961 Plan of Development for the Henshaw Deep Unit as of April 12, 1961.

This office has received no recent reports on the Henshaw Deep Unit Well No. 2.

Our approval is subject to like approval by the US Geological Survey and the Oil Conservation Commission

We are enclosing one approved copy of this plan.

Very truly yours,
E. S. JOHNNY WALKER
Commissioner of Public Lands

BY:
Ted Bilberry, Supervisor
Oil and Gas Division

ESW/mmz/s

cc: OCC-Santa Fe
USGS-Roswell

PLAN OF DEVELOPMENT
FOR THE CALENDAR YEAR 1961
HENSHAW DEEP UNIT (NO. 14-08-001-6453)
EDDY COUNTY, NEW MEXICO

TO THE OIL AND GAS SUPERVISOR (6)
UNITED STATES GEOLOGICAL SURVEY
P. O. BOX 6741
ROSWELL, NEW MEXICO

COMMISSIONER OF PUBLIC LANDS (3)
STATE OF NEW MEXICO
STATE LAND BUILDING
SANTA FE, NEW MEXICO

OIL CONSERVATION COMMISSION (3)
STATE OF NEW MEXICO
STATE LAND BUILDING
SANTA FE, NEW MEXICO

Gentlemen:

In compliance with Section 10 of the Henshaw Deep Unit Agreement, Shell Oil Company, as Unit Operator, hereby submits for your approval a Plan of Development for the remainder of the year 1961.

The initial test, Henshaw Deep Unit 1 located in NE/4 NW/4 Section 24-16S-30E, was originally completed as a non-commercial well in the Devonian. The well was recompleted on December 2, 1960, flowing 171 barrels of oil per day from the Pennsylvanian. By letter dated January 27, 1961, the Regional Oil and Gas Supervisor for the USGS concurred with the determination that the Pennsylvanian completion constitutes the discovery of a unitized substance in paying quantities in accordance with the terms of the Henshaw Deep Unit Agreement. A recommended participating area for the discovery well is now under consideration by the United States Geological Survey.

Henshaw Deep Unit 2, a 10,000-foot Pennsylvanian test, located in the SW/4 SE/4 of Section 24-16S-30E was spudded on January 2, 1961. Drilling operations were temporarily suspended on January 10, 1961, but will be resumed during February, 1961.

No additional wells are planned for the year 1961. However, this Plan of Development may be modified to include additional wells pending information which will be obtained from drilling Henshaw Deep Unit 2.

SHELL OIL COMPANY

UNIT OPERATOR

BY R. L. Rankin
R. L. Rankin

Approved _____ DATE _____
Supervisor, United States Geological Survey

Approved _____ DATE _____
Commissioner of Public Lands

Approved A. S. Carter, Jr. DATE 4-28-61
Oil Conservation Commission

C. L. CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

April 27, 1961

Shell Oil Company
P. O. Box 1058
Roswell, New Mexico

Attention: Mr. O. V. Lawrence

Re: Initial Participating Area
Pennsylvanian Formation
Henshaw Deep Unit Eddy
County, New Mexico.

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the Initial Participating Area Pennsylvanian Formation for the Henshaw Deep Unit Eddy County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of the State of New Mexico.

One approved copy of the application is returned herewith.

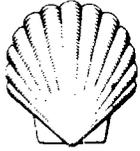
Very truly yours,

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

ALP/JEK/ig

cc: US Geological Survey
Roswell, New Mexico

Commissioner of Public Lands
Santa Fe, New Mexico



SHELL OIL COMPANY

P. O. Box 845
Roswell, New Mexico

January 31, 1961

Subject: Eddy County, New Mexico
Henshaw Deep Unit

Commissioner of Public Lands
State Land Office
Santa Fe, New Mexico
Attention Unit Division

Oil Conservation Commission
State of New Mexico
Santa Fe, New Mexico

Gentlemen:

We are attaching a copy of our Application for Approval of Initial Participation Area for our Henshaw Deep Unit (No. 14-08-001-6453) which was filed with the United States Geological Survey here in Roswell on January 27, 1961.

We shall appreciate your considering the above mentioned Application and advising us if you approve it. We are quite anxious to receive your decision on this matter at an early date.

Yours very truly,

O. V. Lawrence
Roswell Division Land Manager

Attachment

April 14, 1961

Shell Oil Company
P. O. Box 1858
Roswell, New Mexico

Re: Henshaw Deep Unit
Oddy County, New Mexico

Attention: Mr. O. V. Lawrence

Gentlemen:

The Commissioner of Public Lands has approved the Initial Participating Area, Pennsylvanian Formation, for the Henshaw Deep Unit, as of April 14, 1961.

We are enclosing one approved copy of this plan.

Very truly yours,
W. S. JOHNSON WALKER
COMMISSIONER OF PUBLIC LANDS

BY:
Ted Bilberry, Supervisor
Oil and Gas Division

ESW/umr/s

cc: Oil Conservation Commission
Santa Fe, New Mexico

United States Geological Survey
Roswell, New Mexico



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Drawer 1807
Roswell, New Mexico

April 11, 1961

Shell Oil Company
Hinkle Building
Roswell, New Mexico

Attention: Mr. Larry Lawrence

Gentlemen:

Your application of January 27, 1961, for approval of the initial Pennsylvanian participating area for the Henshaw Deep unit, Eddy County, New Mexico, was approved on March 31, 1961, by the Acting Director of the Geological Survey.

The application has not been approved by the Commissioner of Public Lands of the State of New Mexico or the New Mexico Oil Conservation Commission. Such approval must be obtained before the revision is effective, pursuant to section 11 of the Henshaw Deep unit agreement.

Three approved copies of the application are attached. Please furnish this of ice four approval certificates executed by the appropriate State officials in order that the official case records may indicate that complete approval was obtained.

Very truly yours,

JOHN A. ANDERSON
Regional Oil and Gas Supervisor

Copy to: Washington (ltr. only)
Farmington (w/cy of approved appln.)
BLM, Santa Fe (w/cy of approved appln.)
Com. of Pub. Lands, Santa Fe (ltr. only)
NMOCC, Santa Fe (ltr. only)



SHELL OIL COMPANY

P. O. Box 1858
Roswell, New Mexico

April 26, 1961

Subject: Eddy County, New Mexico
Henshaw Deep Unit
14-08-001-5453

Oil Conservation Commission
State of New Mexico
Santa Fe, New Mexico

Gentlemen:

In our letter of April 12, 1961, we enclosed a Request for approval of Initial Participating Areas which was previously approved by the Director of the United States Geological Survey.

As a matter of information, we have now received similar approval from the Commissioner of Public Lands. We shall appreciate your consideration of this matter and advising us if the Commission approves same. We are anxious to make distribution to our partners on this matter at an early date.

Yours very truly,

O. V. Lawrence
Roswell Division Land Manager

OVL/hb



SHELL OIL COMPANY

P. O. Box 1858
Roswell, New Mexico

April 12, 1961

Subject: Eddy County, New Mexico
Henshaw Deep Unit
14-08-001-6453

Commissioner of Public Lands
State Land Office
Santa Fe, New Mexico

Attention Unit Division

Oil Conservation Commission
State of New Mexico
Santa Fe, New Mexico

Gentlemen:

In your letter of February 6, 1961, you advised us that you would approve the participating area, which we have proposed for the above mentioned unit after prior approval by the United States Geological Survey.

We now attach a copy of our Request for Approval of Initial Participating Area, which has been approved by the Director of the United States Geological Survey. Approval by both of your offices must be obtained before the participating area is effective. We shall, therefore, appreciate your approval on this matter.

Yours very truly,

O. V. Lawrence
Roswell Division Land Manager



SHELL OIL COMPANY

P. O. Box 845
Roswell, New Mexico

March 21, 1961

Subject: Eddy County, New Mexico
Henshaw Deep Unit
No. 14-08-001-6453

Commissioner of Public Lands
State Land Office
Santa Fe, New Mexico

Attention Unit Division

Oil Conservation Commission
State of New Mexico
Santa Fe, New Mexico

Gentlemen:

With our letter of January 31, 1961, we attached a copy of our Application for Approval for Initial Participating Area for the above unit. We have now found that we made a mistake in computing one of the percentage figures under the column "Present Actual Participation" on Schedule I. For this reason, we have prepared and are attaching a new Schedule I and ask that you substitute it for the one previously furnished to you.

Thank you for your cooperation in this matter.

Yours very truly,

O. V. Lawrence
Roswell Division Land Manager

Attachments

SCHEDULE I
INITIAL PARTICIPATING AREA
HENSHAW DEEP UNIT

TRACT NO.	DESCRIPTION OF LAND	NO. OF ACRES	FEDERAL SERIAL NO.	OWNERSHIP and	PERCENTAGE	PERCENTAGE COMMITTED	PRESENT ACTUAL PARTICIPATION
* 3	Sec. 27, NW-1/4 T-16-S, R-30-E, N.M.F.M.	160	LC-029424	Royalty: USA Working Interest: Shell Oil Company	17.500000% 81.250000%	17.500000% 81.250000%	11.44445%
* 14	Sec. 13, S-1/2 SW-1/4 T-16-S, R-30-E, N.M.F.M.	80	LC-063928-B	Royalty: USA Working Interest: Shell Oil Company	12.500000% 82.500000%	12.500000% 82.500000%	22.22222%
* 15	Sec. 13, SW-1/4 SE-1/4 T-16-S, R-30-E, N.M.F.M.	40	LC-063933	Royalty: USA Working Interest: Shell Oil Company	12.500000% 82.500000%	12.500000% 82.500000%	11.11111%
18	Sec. 24, NW-1/4 NE-1/4 T-16-S, R-30-E, N.M.F.M.	80	LC-064637	Royalty: USA Working Interest: Texaco, Inc.	12.500000% 84.500000%	12.500000% 84.500000%	25.00000%
				Overriding Royalty Interest:	3.000000%	3.000000%	
					100.000000%	100.000000%	

SCHEDULE I (Continued)
INITIAL PARTICIPATING AREA
HENSHAW DEEP UNIT

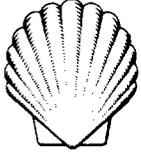
RECAPITULATION

Description of Land in Participating Area:

Township 16 South, Range 30 East, N.M.P.M.
Section 24: NW-1/4 and W-1/2 NE-1/4
Section 13: SW-1/4 SE-1/4 and S-1/2 SW-1/4

Total Number of Acres in Participating Area:	360
Total Number of Acres Committed to Participating Area:	360
Percentage of Royalty Committed:	100%
Percentage of Working Interest Committed:	100%

x Tracts 3, 14, and 15 are step or sliding scale royalty leases at the present time, but upon approval of the determination of a r
deposit discovery by the Director submitted February 14, 1961, these leases will have the royalty rates as shown on this schedule



SHELL OIL COMPANY

P. O. Box 845
Roswell, New Mexico

February 21, 1961

Subject: Proposed Plan of Development
Henshaw Deep Unit
Eddy County, New Mexico

Oil and Gas Supervisor
United States Geological Survey
P. O. Box 6741
Roswell, New Mexico

Commissioner of Public Lands
State of New Mexico
State Land Building
Santa Fe, New Mexico

Oil Conservation Commission
State of New Mexico
State Land Building
Santa Fe, New Mexico

Gentlemen:

Attached are copies of a proposed Plan of Development on the Henshaw Deep Unit, Eddy County, New Mexico, for the remainder of the calendar year 1961.

If this Plan of Development meets with your approval, please return one approved copy for our file.

Yours very truly,

R. L. Rankin
Division Production Manager

Attachment

In reply refer to:
Unit Division

February 6, 1961

C
O
P
Y

Shell Oil Company
P. O. Box 845
Roswell, New Mexico

Re: Henshaw Deep Unit
Eddy County, New Mexico

Attention: Mr. O. V. Lawrence

Gentlemen:

We Have received your Initial Participating Area for the No. 1 Henshaw Deep Unit Well.

This well is on Federal acreage and all of the proposed participating area is Federal land, the State's interest in the unit is one forty acre tract, therefore, this office will approve the participating area as set forth, after prior approval by the US Geological Survey.

We will require the copy you submitted and one approved by the Director of the United States Geological Survey.

Very truly yours,

E. S. JOHNNY WALKER
Commissioner of Public Lands

ESW/mmr/s
cc: US Geological Survey
Roswell, New Mexico

Oil Conservation Commission
Santa Fe, New Mexico



SHELL OIL COMPANY

PETROLEUM BUILDING

P. O. BOX 1509

MIDLAND, TEXAS

January 27, 1961

Director
United States Geological Survey
Department of the Interior
Washington 25, D. C.,

Through:

Regional Director
United States Geological Survey
Department of the Interior
Roswell, New Mexico

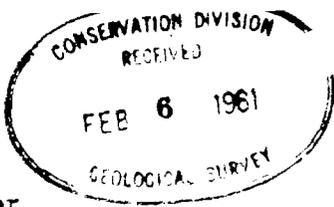
Re: Henshaw Deep Unit
No. 14-08-001-6453
Eddy County, New Mexico
Initial Participating Area

Gentlemen:

Pursuant to Section 11 of the Henshaw Deep Unit Agreement, No. 14-08-001-6453, approved December 3, 1959, Shell Oil Company, as Unit Operator, submits Schedule I, attached hereto, and requests that the land described therein be approved by the Director as constituting the participating area (designated as "Initial Participating Area") relative to Unit Well No. 1, which well was completed initially in the Devonian formation on July 28, 1960, and recompleted in an Upper Pennsylvanian formation on December 2, 1960, and has heretofore been officially determined to constitute a discovery of unitized substances in the said Upper Pennsylvanian formation in paying quantities within the terms of said Unit Agreement, the designation of such Initial Participating Area to be effective as of the date of completion of said well.

Unit Well No. 1 is located in the NE/4 NW/4 of Section 24, T-16-S, R-30-E, N.M.P.M. and was drilled to a total depth of 13,072 feet, testing the Pre-Cambrian formation. The well was completed in the Devonian formation but that reservoir proved to be limited and was abandoned and the well was plugged back to the Pennsylvanian system and recompleted through perforations 8822 to 8830 feet from the surface.

During a test taken on December 2, 1960, of the recompletion in the Pennsylvanian system the well flowed 171 barrels of 36° gravity oil per day through an 18/64-inch choke which was well above the permissible top allowable of 105 barrels of oil. The gas oil ratio was 1377 and the flowing tubing pressure was 360-320 psi.



Director
United States Geological Survey
Department of the Interior
Washington 25, D. C.

On a test made January 7, 1961, through a 1 5/8-inch choke the well flowed 131 barrels of oil per day and no water with an initial and final flowing tubing pressure of 400 psi.

The land described in the attached schedule, containing an aggregate 360 acres, consists of the 40-acre subdivision upon which the well is located, together with the eight 40-acre subdivisions surrounding same and is described as follows:

The NW/4 and W/2 NE/4 of Section 24, the SW/4 SE/4 and the S/2 SW/4 of Section 13, all in T-1t-S, R-30-E, N.M.P.M.

and said land comprises all unitized land presently regarded as being reasonably proved or indicated to be productive of unitized substances in paying quantities.

We are enclosing herewith eight duplicate copies of this letter, with Schedule I attached thereto, and we would appreciate having all copies not needed by your office returned to us, with your approval noted thereon.

SHELL OIL COMPANY

By:

C. V. Lawrence
Land Agent

Copies, with Schedule I attached:

Commissioner of Public Lands
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission of
the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Texaco Inc.
P. O. Box 3109
Midland, Texas

Humble Oil & Refining Company
P. O. Box 1287
Roswell, New Mexico

Date Approved MAR 31 1961

William H. Baker
Director, U. S. Geological Survey

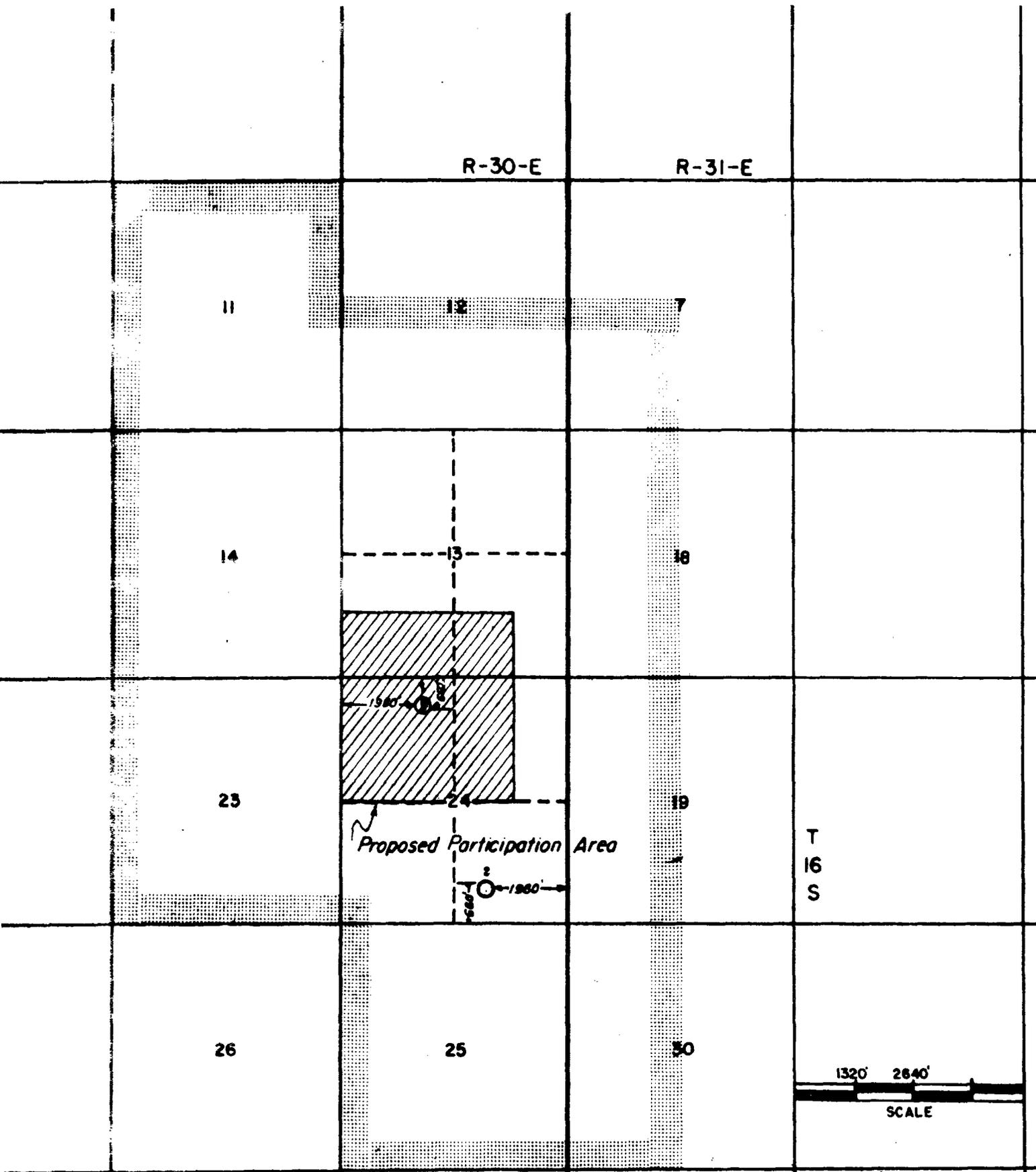


EXHIBIT A

**Henshaw Deep Unit
Lea County, New Mexico**

-  Unit Boundary
-  Proposed Participation

SCHEDULE I
 INITIAL PARTICIPATING AREA
 HENSHAW DEEP UNIT

SECTION	NO. OF ACRES	FEDERAL SERIAL NO.	OWNERSHIP and	PERCENTAGE	PERCENTAGE COMMITTED	PRESENT ACTUAL PARTICIPATION
24: NW 1/4 S, R-30-E, N.M.P.M.	160	LC-029424	Royalty: USA Working Interest: Shell Oil Company	12.50000% 81.25000%	12.50000% 81.25000%	44.44445%
3: S-1/2 SW-1/4 , R-30-E, N.M.P.M.	80	LC-063928-B	Overriding Royalty Interest: Royalty: USA Working Interest: Shell Oil Company	6.25000% 12.50000% 82.50000%	$\frac{5.66667}{98.41667}$ 12.50000% 82.50000%	22.22222%
3: SW-1/4 SE-1/4 , R-30-E, N.M.P.M.	40	LC-06393C	Overriding Royalty Interest: Royalty: USA Working Interest: Shell Oil Company	5.00000% 12.50000% 82.50000%	$\frac{5.00000}{100.00000}$ 12.50000% 82.50000%	11.11111%
4: W-1/2 NW-1/4 , R-30-E, N.M.P.M.	80	LC-064637	Overriding Royalty Interest: Royalty: USA Working Interest: Texaco, Inc.	5.00000% 12.50000% 84.50000%	$\frac{5.00000}{100.00000}$ 12.50000% 84.50000%	22.22222%
Overriding Royalty Interest:				3.00000%	$\frac{3.00000}{100.00000}$	

SCHEDULE I (Continued)
INITIAL PARTICIPATING AREA
HENSHAW DEEP UNIT

RECAPITULATION

Description of Land in Participating Area:

Township 16 South, Range 30 East, N.M.P.M.
Section 24: NW-1/4 and W-1/2 NE-1/4
Section 13: SW-1/4 SE-1/4 and SW-1/4 SW-1/4

Total Number of Acres in Participating Area: 360
Total Number of Acres Committed to Participating Area: 360
Percentage of Royalty Committed: 100%
Percentage of Working Interest Committed: 100%

are subject to bidding scale royalty leases at the present time, but upon approval of the determination of a new
the Director submitted February 14, 1961, these leases will have the royalty rates as shown on this schedule.



SHELL OIL COMPANY

P. O. Box 845
Roswell, New Mexico

October 24, 1960

Subject: Eddy County, New Mexico
Henshaw Deep Unit
Non-Commercial Status and
Development Plans

Director
United States Geological Survey
Department of the Interior
Washington 25, D. C.

Through: Regional Director
United States Geological Survey
Roswell, New Mexico

Gentlemen:

This is to inform you that Henshaw Deep Unit Well No. 1 is now off production after having depleted the Devonian gas reservoir at 11,680 to 11,690 feet. The well, completed on July 28, 1960, produced a cumulative total of 90 mmcf gas and 2780 barrels of condensate. We now plan to re-complete this well in a Pennsylvanian porous interval and test for production. If a successful producer is obtained we will file a plan of development within six months as required by the unit agreement. In the event commercial production is not established, we plan to drill a second well by January 28, 1961 (six months from official completion date.)

Since commercial production has not been established in Well No. 1 in the Devonian zone a plan of development has not as yet been submitted.

Yours very truly,

Original Signed By:
R. L. Rankin

R. L. Rankin, Chairman
Operators' Committee
Henshaw Deep Unit



SHELL OIL COMPANY

PETROLEUM BUILDING
P. O. BOX 1509
MIDLAND, TEXAS

February 16, 1960

Subject: Eddy County, New Mexico
Square Lake Area
Henshaw Deep Unit Agreement

Honorable John Burroughs, Chairman
Oil Conservation Commission
New Mexico State Land Office
Santa Fe, New Mexico

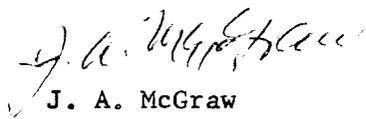
Dear Honorable Burroughs:

Enclosed are the following:

1. Executed original of subject unit agreement;
2. An executed copy of each of the following described Consent and Ratification Agreements pertaining to subject unit agreement (these were received by Shell Oil Company after subject unit agreement had been filed with the U.S. Department of Interior for final approval);
 - a. executed on December 11, 1959, by Ralph E. Becker, Vice President and Trust Officer of the Albuquerque National Bank, as Testamentary Trustee of Frank A. Andrews, deceased;
 - b. executed on December 9, 1959, by Evelyn Ann English, in her individual capacity and as guardian of the estate of Linda Sueann English, a minor; and
3. Copy of letter (self-explanatory) dated November 27, 1959, from Western Oil Fields, Inc., to Shell Oil Company.

If anything further will be required by you in connection with the items herewith enclosed, please let us know and we shall promptly furnish same.

Yours very truly


J. A. McGraw
Title & Rental Division
Land Department

JAM:PP

Enclosures

In reply refer to:
Unit Division

October 13, 1959

17-29

Seth Montgomery Federici & Andrews
301 Don Gaspar Avenue
Santa Fe, New Mexico

Re: Shell's Henshaw Deep Unit
Agreement, Eddy County, New
Mexico

ATTENTION: Mr. William R. Federici

Gentlemen:

The Commissioner of Public Lands approved the Henshaw Deep Unit Agreement, Eddy County, New Mexico, as of October 13, 1959.

We are enclosing twenty certificates of approval, also a temporary receipt covering the \$55.00 filing fee and we will mail you the official receipt at such time as it is issued.

Our certificate of approval amends the wording of the Henshaw Deep Unit in regard to the State Land and such wording was approved by Mr. William R. Federici.

Very truly yours,
MURRAY E. MORGAN
Commissioner of Public Lands

BY:
Ted Bilberry, Supervisor
Oil and Gas Division

MEM/MMR/m

COPY

**Seth Montgomery Federici & Andrews
Santa Fe, New Mexico**

**Page (2)
10-13-59**

**cc: United States Geological Survey
P. O. Box 6721
Roswell, New Mexico**

**Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico**

**Shell Oil Company
P. O. Box 845
Roswell, New Mexico**

C
O
P
Y



77-015
SHELL OIL COMPANY

P. O. Box 845
Roswell, New Mexico

July 31, 1959

Subject: Eddy County, New Mexico
Henshaw Deep Unit

*File
Case 1759*

Oil Conservation Commission
State of New Mexico
Santa Fe, New Mexico

Attention Mr. Porter

Gentlemen:

Under date of July 24, 1959, we mailed to you the original and two copies of our Application for Approval of the Henshaw Deep Unit Agreement, Eddy County, New Mexico. Exhibit "A" and Exhibit "B" were not completed at that time, but we sent in the material available so that we would be sure and make the August 19, 1959, hearing.

Exhibit "A", being the plat, and Exhibit "B", showing percentage and kind of ownership, are now complete, and we are attaching three copies of each. We would appreciate your adding these to the Unit Agreement which has already been furnished you.

Yours very truly,

R. A. Clarke
Roswell Division Land Department

Attachments

In reply refer to:
Unit Division

April 28, 1959

Shell Oil Company
P. O. Box 845
Roswell, New Mexico

ATTENTION: Mr. O. V. Lawrence

Re: Proposed Henshaw Deep Unit

Gentlemen:

We wish to advise you that the proposed Henshaw Deep Unit Area has been approved as to form and context by the Commissioner of Public Lands, as of April 28, 1959.

A \$5.00 filing fee for each section or fractional part thereof, whether the acreage is federal, state or privately owned, is required by this office.

Very truly yours,
MURRAY E. MORGAN
Commissioner of Public Lands

BY:
Ted Bilberry, Supervisor
Oil and Gas Division

MEM/m

cc: OCC-Santa Fe
USGS-Roswell

In reply refer to:
Unit Division

April 28, 1959

Shell Oil Company
P. O. Box 845
Rogers, New Mexico

ATTENTION: Mr. C. W. Lawrence

Re: Proposed Henshaw Deep Unit

Dear Sir:

We wish to advise you that the proposed Henshaw Deep Unit Area has been approved as to form and content by the Commissioner of Public Lands, as of April 28, 1959.

A \$5.00 filing fee for each section or fractional part thereof, whether the acreage is federal, state or privately owned, is required by this office.

Very truly yours,
MURRAY E. MORGAN
Commissioner of Public Lands

BY: *Ted Bilberry*
Ted Bilberry, Supervisor
Oil and Gas Division

MEMO
cc: 600-Sub 20
600-Sub 1

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
<i>APP</i> • EXHIBIT NO. <u>2</u>
CASE NO. <u>1739</u>



① "A"

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

JUN 9 - 1959

Shell Oil Company
Post Office Box 845
Roswell, New Mexico

Attention: Mr. O. V. Lawrence

Gentlemen:

Your application of March 30 filed with the Oil and Gas Supervisor, Roswell, New Mexico, requests designation of 4,823.84 acres, Eddy County, New Mexico, as logically subject to exploration and development under the unitization provisions of the Mineral Leasing Act, as amended.

Pursuant to unit plan regulations of December 22, 1950, 30 CFR 226.3, the land outlined on your plat marked Exhibit "A", PROPOSED HENSLAW DEEP UNIT is hereby designated as a logical unit area for all formations below the top of the Yezo formation. Any unit agreement submitted for the area designated should provide for a well to test the Devonian or to a depth of 12,300 feet.

Item 4 of your application requested that any well drilling or completed when the unit is approved be considered as the first well required under section 9. The standard language as used in your proposed form recognizes any drilling well, however, we cannot count a well which has already been completed as the required well unless said well qualifies as a paying well under section 9 of the unit agreement.

Your proposed form, which substantially follows the June 1957 reprint of the standard form of unit agreement except for special provisions to meet the requirements of the State of New Mexico and for modifications concerning rights of working interest owners to unitized substances and certain tax definitions under the "No Partnership" section, will be acceptable with modifications indicated in blue pencil. One marked copy is retained, one is being sent to the Supervisor, and one is attached.

In the absence of any other type of land requiring special provisions, or of any objections not now apparent, a duly executed unit agreement identical with said marked form will be approved if submitted in approvable status within a reasonable period of time.

Enclosure

Acting Director



Very truly yours,

However, the right is reserved to deny approval of any executed agreement which, in our opinion, does not have the full commitment of sufficient lands to assure effective control of unit operations. When the executed agreement is submitted to the Supervisor for approval, include the latest status of all acreage, showing the current record owner of all leased leases and the current status of all lease applications, if any.

"A"

IN REPLY REFER TO:



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

JUN 9 - 1959



Shell Oil Company
Post Office Box 845
Roswell, New Mexico

Attention: Mr. O. V. Lawrence

Gentlemen:

Your application of March 30 filed with the Oil and Gas Supervisor, Roswell, New Mexico, requests designation of 4,823.84 acres, Baldy County, New Mexico, as logically subject to exploration and development under the unitization provisions of the Mineral Leasing Act, as amended.

Pursuant to unit plan regulations of December 22, 1950, 30 CFR 226.3, the land outlined on your plat marked Exhibit "A", PROPOSED HENRIAN SHEEP UNIT is hereby designated as a logical unit area for all formations below the top of the Yozo formation. Any unit agreement submitted for the area designated should provide for a well to test the Devonian or to a depth of 12,300 feet.

100

Item 4 of your application requested that any well drilling or completed when the unit is approved be considered as the first well required under section 9. The standard language as used in your proposed form recognizes any drilling well, however, we cannot count a well which has already been completed as the required well unless said well qualifies as a paying well under section 9 of the unit agreement.

Your proposed form, which substantially follows the June 1957 reprint of the standard form of unit agreement except for special provisions to meet the requirements of the State of New Mexico and for modifications concerning rights of working interest owners to unitized substances and certain tax definitions under the "No Partnership" section, will be acceptable with modifications indicated in blue pencil. One marked copy is retained, one is being sent to the Supervisor, and one is attached.

In the absence of any other type of land requiring special provisions, or of any objections not now apparent, a duly executed unit agreement identical with said marked form will be approved if submitted in approvable status within a reasonable period of time.

ILLEGIBLE

However, the right is reserved to deny approval of any executed agreement which, in our opinion, does not have the full commitment of sufficient lands to assure effective control of unit operations.

When the executed agreement is submitted to the Supervisor for approval, include the latest status of all acreage, showing the current record owner of all issued leases and the current status of all lease applications, if any.

Very truly yours,

A handwritten signature in cursive script, appearing to read "William W. Baker".

Acting Director

Enclosure