

COMMISSIONER'S OFFICE
Phone (505) 827-5760
Fax (505) 827-5766

ADMINISTRATION
Phone (505) 827-5700
Fax (505) 827-5853

GENERAL COUNSEL
Phone (505) 827-5713
Fax (505) 827-4262

PUBLIC AFFAIRS
Phone (505) 827-1245
Fax (505) 827-5766



#2456

COMMERCIAL RESOURCES
Phone (505) 827-5724
Fax (505) 827-6157

MINERAL RESOURCES
Phone (505) 827-5744
Fax (505) 827-4739

ROYALTY MANAGEMENT
Phone (505) 827-5772
Fax (505) 827-4739

SURFACE RESOURCES
Phone (505) 827-5793
Fax (505) 827-5711

**New Mexico State Land Office
Commissioner of Public Lands
Ray Powell, M.S., D.V.M.**

August 23, 2002

MAR Oil & Gas Corporation
P.O. Box 5155
Santa Fe, New Mexico 87502

Attn: Mr. Leon A. Romero

Re: Resignation/Designation of Successor Unit Operator
Malmar Unit
Lea County, New Mexico

Dear Mr. Romero:

We are in receipt of your resignation/designation of successor unit operator, wherein of Tipton Oil & Gas Acquisitions has resigned as unit operator of the Malmar Unit and designated MAR Oil & Gas Corporation as the successor unit operator.

The Commissioner of Public Lands has this date approved the resignation of Tipton Oil & Gas Acquisitions and the designation of MAR Oil & Gas Corporation as the successor unit operator of this unit.

This change in operators is effective May 1, 2002. In accordance with this approval, MAR Oil & Gas Corporation is now responsible for all operations and the reporting of all production from the unit.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

RAY POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS

BY: 
JAMI BAILEY, Director
Oil/Gas and Minerals Division
(505) 827-5744

RP/JB/cpm

xc: Reader File Tipton Oil & Gas Acquisitions OCD- -Roy Johnson TRD BLM

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Commissioner of Public Lands
Ray Powell, M.S., D.V.M.**

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Fax (505) 827-5711

July 25, 2002

Tipton Oil & Gas Acquisitions
P.O. Box 1234
Lovington, New Mexico 88260

Attn: Ms. Debbie McKelvey

Re: 2002 Plan of Development
Malmar Unit
Lea County, New Mexico

Dear Ms. McKelvey:

The Commissioner of Public Lands has, of this date, approved the above-captioned Plan of Development. Our approval is subject to like approval by all other appropriate agencies.

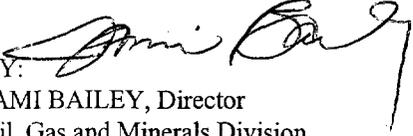
The possibility of drainage by wells outside of the unit area and the need for further development of the unit may exist. You may be contacted at a later date regarding these possibilities.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS

BY:


JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744

RP/JB/cpm
xc: Reader File

OCD

COMMISSIONER'S OFFICE

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Fax (505) 827-5766

ADMINISTRATION

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Fax (505) 827-5853

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Phone (505) 827-5713

Fax (505) 827-4262

PUBLIC AFFAIRS

Phone (505) 827-1245

Fax (505) 827-5766



OIL OPERATIONS DIVISION

02 JUL -3 PM 2:13

**New Mexico State Land Office
Commissioner of Public Lands
Ray Powell, M.S., D.V.M.**

COMMERCIAL RESOURCES

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Phone (505) 827-5772

Fax (505) 827-4739

SURFACE RESOURCES

Phone (505) 827-5793

Fax (505) 827-5711

July 1, 2002

Tipton Oil & Gas Acquisitions
P.O. Box 1234
Lovington, New Mexico 88260

Attn: Ms. Debbie McKelvey

Re: Resignation/Designation of Successor Unit Operator
Malmar Unit
Lea County, New Mexico

Dear Ms. McKelvey:

We are in receipt of your resignation/designation of successor unit operator, wherein of Saga Petroleum Limited Liability Company has resigned as unit operator of the Malmar Unit and designated Tipton Oil & Gas Acquisitions as the successor unit operator.

The Commissioner of Public Lands has this date approved the resignation of Saga Petroleum Limited Liability Company and the designation of Tipton Oil & Gas Acquisitions as the successor unit operator of this unit.

This change in operators is effective August 1, 2001. In accordance with this approval, Tipton Oil & Gas Acquisitions is now responsible for all operations and the reporting of all production from the unit.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

RAY POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS

BY:

JAMI BAILEY, Director
Oil/Gas and Minerals Division
(505) 827-5744

RP/JB/cpm

xc: Reader File Saga Petroleum Limited Liability Company OCD- -Roy Johnson TRD BLM

March 21, 1962

*File
Unit Area
2456*

Commissioner of Public Lands
P. O. Box 791
Santa Fe, New Mexico

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

Re: Malmar Unit
Lea County, New Mexico

Gentlemen:

Under Order R-2155, Case 2456, the Commission approved Great Western Drilling Company's Malmar Unit Area and Malmar Waterflood Project. Pursuant to paragraph (5) of the Order, we hand the Commission herewith one fully executed counterpart of the Unit Agreement and Unit Operating Agreement with all ratifications thereto, except as mentioned below.

There has previously been filed with the Commissioner an application for approval of the above Unit which we understand has been approved as to form and context. In order to obtain formal approval we hand to the Commissioner herewith two executed counterparts of the Unit Agreement and Unit Operating Agreements with all ratifications thereto, except as mentioned below.

The exceptions to joinder mentioned above are:

- Tract 1: Ruby Oil Company..... .02734375 ORR
- Tract 2: Ruby Oil Company..... .02734375 ORR
- Tract 3: Ruby Oil Company.....9.553353 W.I.
- Tract 4: Paul A. Mavis.....6.250000 W.I.
- Katie Corporation..... .781250 W.I.
- Brady Corporation..... .781250 W.I.

COPY

HERVEY, DOW & HINKLE, ATTORNEYS
ROSWELL, NEW MEXICO

Page 2 - Commissioner of Public Lands
New Mexico Oil Conservation Commission March 21, 1962

Under Section 13 of the Unit Agreement, we believe there has been sufficient compliance and commitment to effectuate the Unit, and under Section 23, the Unit will be effective following Commissioner approval and recording in Lea County; the recording will be made as soon as we have Commissioner approval, and one copy of the certification as to effective date will be delivered to each of you immediately thereafter.

Respectfully,

HERVEY, DOW & HINKLE

By 

SBC:jy
Encls.

cc: Great Western Drilling Company

2456



JIM BACA
COMMISSIONER

State of New Mexico
OFFICE OF THE
Commissioner of Public Lands
Santa Fe

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

May 5, 1993

Penroc Oil Corporation
P.O. Box 5970
Hobbs, New Mexico 88241

Attn: Mr. Mohammed Merchant

Re: Resignation of Successor Unit Operator
Malmar Unit
Lea County, New Mexico

Dear Mr. Merchant:

The New Mexico Oil Conservation Division records reflect that Penroc Oil Corporation has been designated as the successor unit operator of the Malmar Unit Area, Lea County, New Mexico.

Our records reflect that Southland Royalty Company is still the operator of record for this unit. Pursuant to the terms of the Malmar Unit Agreement, any change in unit operators must also be approved by the Commissioner of Public Lands.

In view of the above, please submit a resignation/designation of successor unit operator to this office for approval. If the change of operator has not been filed with and approved by this office, you are operating the Malmar Unit without authority.

Also, enclosed is an Instruction Sheet for filing a Surface Improvement Damage Bond. Our records reflect that Penroc Oil Corporation does not have a \$20,000 Multiple Surface Improvement Damage Bond on file. This change of unit operators will not be approved until the required bond has been filed with this office.

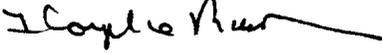
Penroc Oil Corporation
May 5, 1993
Page 2

Please submit the appropriate documents for designation of successor operator of the Malmar Unit within thirty (30) days from receipt of this letter. Failure to timely submit the requested documents may jeopardize the state leases committed to this unit agreement.

If you have any questions, or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

BY: 
FLOYD O. PRANDO, Director
Oil/Gas and Minerals Division
(505) 827-5744
JB/FOP/pm
encls.
cc: Reader File
Meridian/Mario Moreno
OCD



RAY B. POWELL
COMMISSIONER

State of New Mexico
OFFICE OF THE
Commissioner of Public Lands
Santa Fe

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

June 2, 1993

Penroc Oil Corporation
P. O. Box 5970
Hobbs, New Mexico 88241-5970

Attn: Mr. Mohammed Yamin Merchant

Re: Resignation/Designation of Successor Unit Operator
Malmar Unit
Lea County, New Mexico

Dear Mr. Merchant:

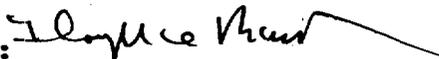
This office is in receipt of a designation of successor unit operator, wherein Southland Royalty Company has resigned as unit operator of the Malmar Unit and designated Penroc Oil Corporation (Floos Inc.) as the successor unit operator.

The Commissioner of Public Lands has this date approved the resignation of Southland Royalty Company and the designation of Penroc Oil Corporation as the successor unit operator of this unit. This change in operators is effective August 1, 1990. In accordance with this approval, Penroc Oil Corporation is now responsible for all operations and the reporting of all production from the unit.

If you have any questions, or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY B. POWELL
COMMISSIONER OF PUBLIC LANDS

BY: 
FLOYD O. PRANDO, Director
Oil/Gas and Minerals Division
(505) 827-5744
RBP/FOP/pm
encls.

cc: Reader File
Meridian Oil - Attn: Mr. Mario Moreno



State of New Mexico

OFFICE OF THE

Commissioner of Public Lands

Santa Fe

RAY B. POWELL
COMMISSIONER

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

June 2, 1993

Penroc Oil Corporation
P. O. Box 5970
Hobbs, New Mexico 88241-5970

Attn: Mr. Mohammed Yamin Merchant

Re: Resignation/Designation of Successor Unit Operator
Malmar Unit
Lea County, New Mexico

Dear Mr. Merchant:

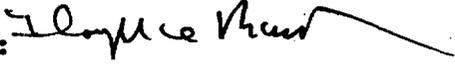
This office is in receipt of a designation of successor unit operator, wherein Southland Royalty Company has resigned as unit operator of the Malmar Unit and designated Penroc Oil Corporation (Floos Inc.) as the successor unit operator.

The Commissioner of Public Lands has this date approved the resignation of Southland Royalty Company and the designation of Penroc Oil Corporation as the successor unit operator of this unit. This change in operators is effective August 1, 1990. In accordance with this approval, Penroc Oil Corporation is now responsible for all operations and the reporting of all production from the unit.

If you have any questions, or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY B. POWELL
COMMISSIONER OF PUBLIC LANDS

BY: 
FLOYD O. PRANDO, Director
Oil/Gas and Minerals Division
(505) 827-5744
RBP/FOP/pm
encls.

cc: Reader File
Meridian Oil - Attn: Mr. Mario Moreno

State of New Mexico

#2456



W.R. HUMPHRIES
COMMISSIONER

Commissioner of Public Lands

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

October 5, 1990

Meridian Oil Company
21 Desta Drive,
Midland, TX 79705

Attn: Robert L. Bradshaw

Re: Malmar Unit
Lea County, New Mexico
1990 Plan of Development

Dear Mr. Bradshaw:

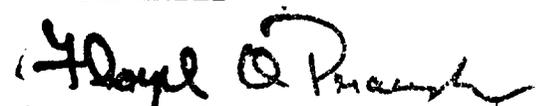
The Commissioner of Public Lands this date approved the 1990 Plan of Development for the Malmar Unit. Our approval is subject to like approval by all other appropriate agencies. Please forward to this office current copies of both Exhibits A & B.

The possibility of drainage by wells outside of the Unit Area and the need for further development may exist. You will be contacted at a later date regarding these possibilities.

If we may be of further help, please do not hesitate to contact Clyde Langdale at (505) 827-5791.

Sincerely,

W. R. HUMPHRIES

BY: 
Floyd O. Prando, Director
Oil, Gas & Minerals Division

cc: OCD
Unit Corresp.
Unit POD



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

TONEY ANAYA
GOVERNOR

August 29, 1983

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

Southland Royalty Company
21 Desta Drive
Midland, Texas 79701

Attention: K. W. Harbin
District Production Manager

John R. Stark,
Petroleum Engineer

Re: Malmar Unit
Wells Nos. 1-1 and 3-15
NE Maljamar (GB-SA) Field
Lea County, New Mexico

Gentlemen:

Your request for an increase in the maximum surface injection pressure for the subject wells has been reviewed. The step-rate test run on Well No. 3-15 is considered as acceptable data in determining a new pressure limit. Because of the proximity of the two subject wells, a common pressure limit will be applied to the wells. Based on the bottom hole fracture pressure measurement of 4420 psi and subtracting 1892 psi for waterhead pressure along with 50 psi as a standard safety factor, a maximum pressure limit of 2478 psi was determined.

Southland Royalty Company is therefore allowed a new maximum surface injection pressure of 2478 psi for the Malmar Unit Well Nos. 1-1 and 3-15 in the NE Maljamar (GB-SA) Field.

Should you have any questions concerning the new pressure limit on these two wells, please do not hesitate to contact me at (505) 827-5807.

Sincerely,

Gilbert P. Quintana

GILBERT P. QUINTANA
Petroleum Engineer

GPQ/dp

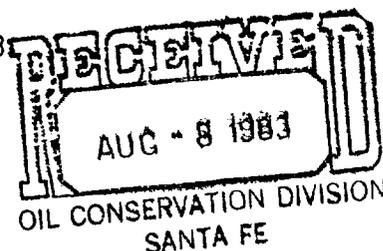
cc: JOE D. RAMEY
Hobbs District Office
Case File -Order No. R-2155

*Case
2456*



Southland Royalty Company

August 2, 1983



New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501
Attention: Mr. Gilbert Quintana

Re: Request Approval to Inject
At Higher Pressures
Malmar Unit Well Nos. 1-1 and 3-15
N. E. Maljamar (GB-SA) Field
Lea County, New Mexico

Gentlemen:

Your approval is requested to increase the maximum allowable surface injection pressure for 2 wells in the Southland operated Malmar Unit, which produces from the N. E. Maljamar (GB-SA) Field, Lea County, New Mexico. This request is based on the results of a recent step rate test in one of the wells. Attached are 5 copies of the test data.

The subject wells were converted to injection during June 1982. Their locations are shown on the attached map. A step rate test was run in well No. 3-15 during July 1982. This test indicated a surface formation parting pressure of 1740 psi. The Commission approved a maximum surface injection pressure of 1700 psi for the subject wells.

During July 1982, a step rate test was also run in the Malmar Unit well No. 1-2, which was an old injector that had been restored to injection after 1 year of temporary abandonment. This test showed a surface parting pressure of 2415 psi and was assigned a maximum surface pressure of 2370 psi.

Injection volumes into the subject wells declined steadily as pressure increased to the maximum approved limit. These wells were then shut in when very small volumes of water could be injected at the approved pressure limit. During May 1983 both of the subject wells were checked for possible fill. No fill was found in either well and both were acidized to ensure that perforations were open. In spite of these efforts, very little water can still be injected under the current pressure limit. In July 1983

a step rate test was performed in well No. 3-15 which exhibited a surface and bottom hole (less water column pressure) parting pressures of 2485 and 2528 psi, respectively. As seen above, this value is very similar to that obtained in well No. 1-2. Therefore, it is requested that the maximum allowable injection pressure for this well be set just below the measured parting pressure. We also ask that the results of the step rate test ran on the Malmar Unit well No. 3-15 be applied, as before, to well No. 1-1.

If additional data is required, please advise.

Very truly yours,

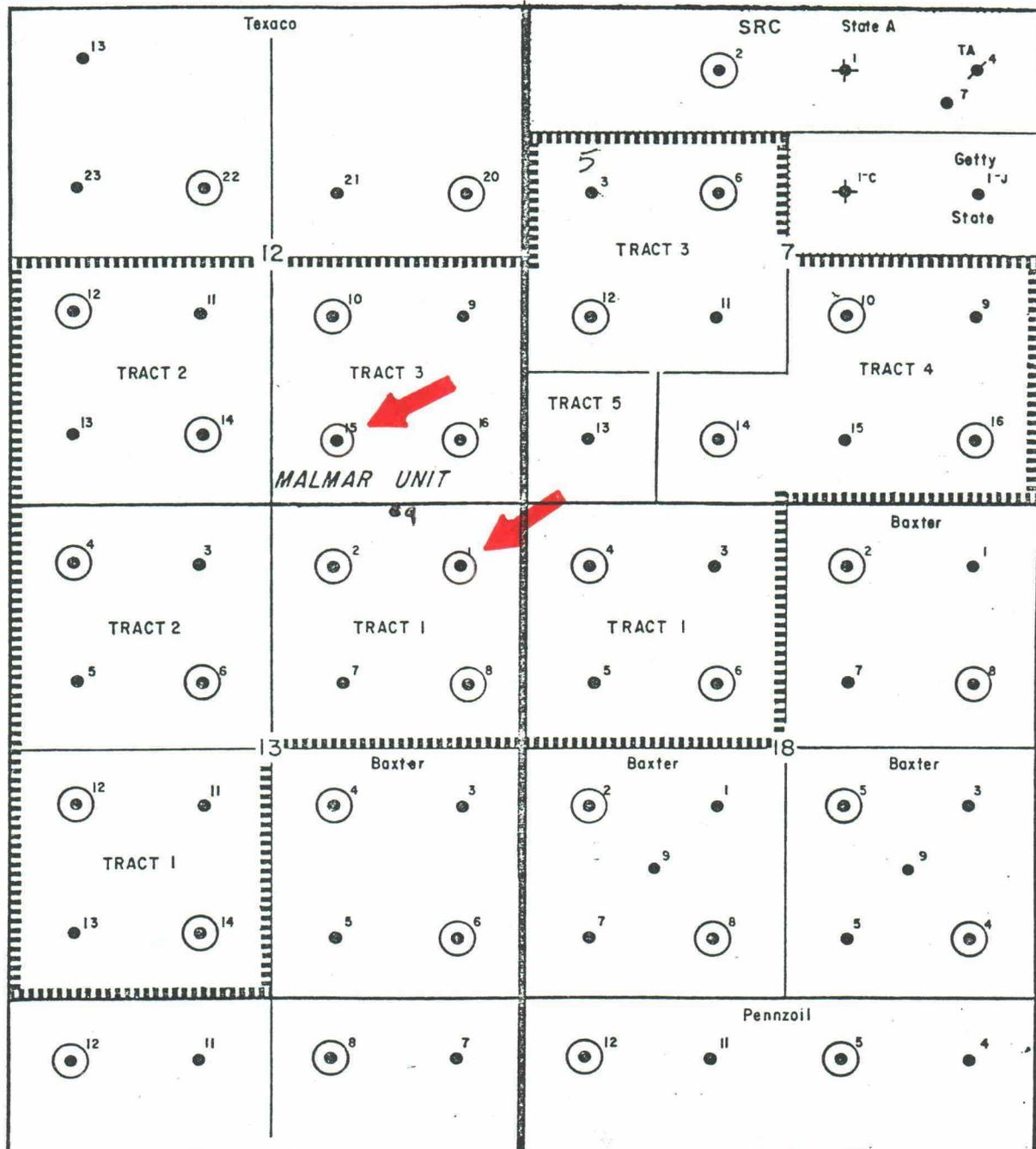


K. W. Harbin
District Production Manager

JRS/lap

Attachments

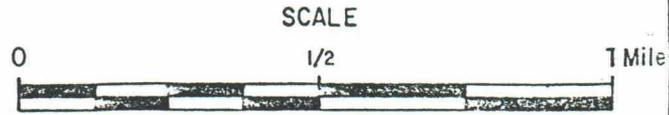
T
17
S



LEGEND

- WATERFLOOD BOUNDARY
- ⊙ INJECTION WELL
- PRODUCING WELL
- PROPOSED LOCATION
- SHUT-IN WELL

Proposed increase in Injection Pressure



NOTE:
Waterflood was unitized under Commission order no. R-2155. All wells in the unit area are producing from the Maljamar Grayburg-San Andres Pool.



Southland Royalty Company

MIDLAND, TEXAS

**NORTHEAST MALJAMAR
LEA COUNTY, NEW MEXICO**

DAVIS SERVICES INC.

HOBBS,

(505) 393-0119

STEP RATE TEST

NEW MEXICO

FIELD DATA SHEET

Type Test:	<input type="checkbox"/> Initial	<input type="checkbox"/> Annual	<input type="checkbox"/> Special	Test Date	6/29/83	Lease No. or Serial No.
Company	Southland Royalty					Allottee
Field	Reservoir	Location			Unit	
Completion Date	Total Depth	Plug Back TD	Elevation		Form or Lease Name	
					Malmar Unit	
Csg. Size	Wt.	d	Set At	Perforations: From	To	Well No.
				4187	4488	Tract 3 #15
Tbg. Size	Wt.	d	Set At	Perforations: From	To	Sec. Twp - Blk Rge
Type Completion (Describe)	2 3/8 Plastic Coated				Packer Set At	County or Parish
					4109	Lea
Producing Thr	Reservoir Temp. F	Mean Ground Temp. F		Baro. Press. - P	State	
					N.M.	

CO. REPRESENTATIVE

DATE	ELAP. TIME	well information			surf.	remarks
		Rate	Surf.		psi. cor	
Time of Reading	Hrs.	BPD	Psig	B.H.P.	friction	(include liquid production data: Type - API Gravity - Amount)
2:50		SHUT IN	2313	4205		1892 Colum Wt. ON BOTTOM 2:50 pm BOMB @ 4338
3:00			2313			START TEST
3:15	15	120	2330	4223		
3:15						
3:30	30	200	2355	4237		
3:30						
3:45	45	280	2375	4257		
3:45						
4:00	1	400	2495	4359	2454	LOST H2O SWITCH TO PUMP TRUCK
4:00						
4:15	15	864	2575	4390	2486	
4:15						
4:30	30	1458	2670	4466	2561	
4:30						
4:45						
5:00	45	1853	2752	4524	2619	
5:00						
5:00						
5:15	2	2650	2930	4588	2683	END TEST

SOUTHLAND ROYALTY

Malmar Unit
Tract 3 #15
6-29-83

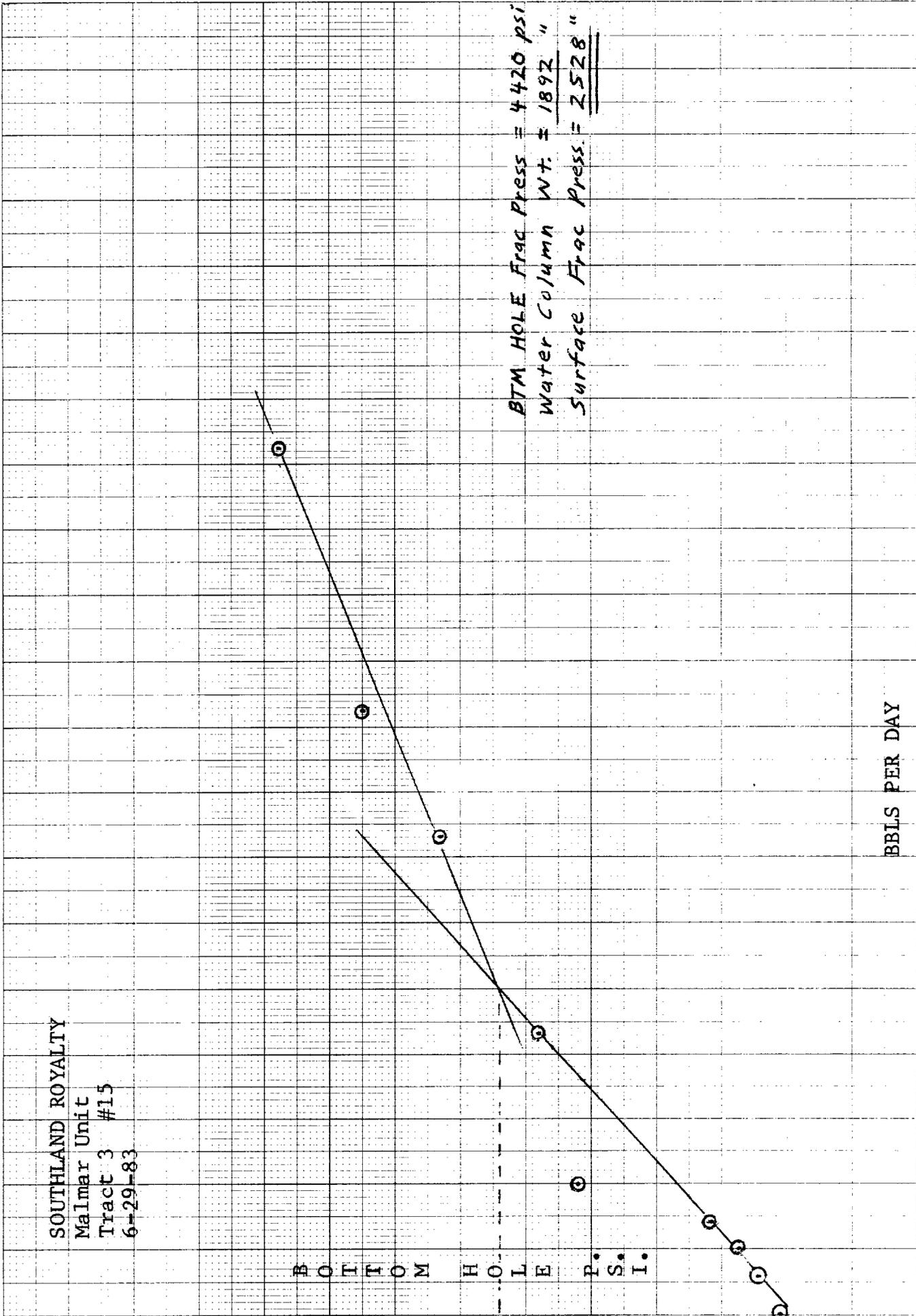
B
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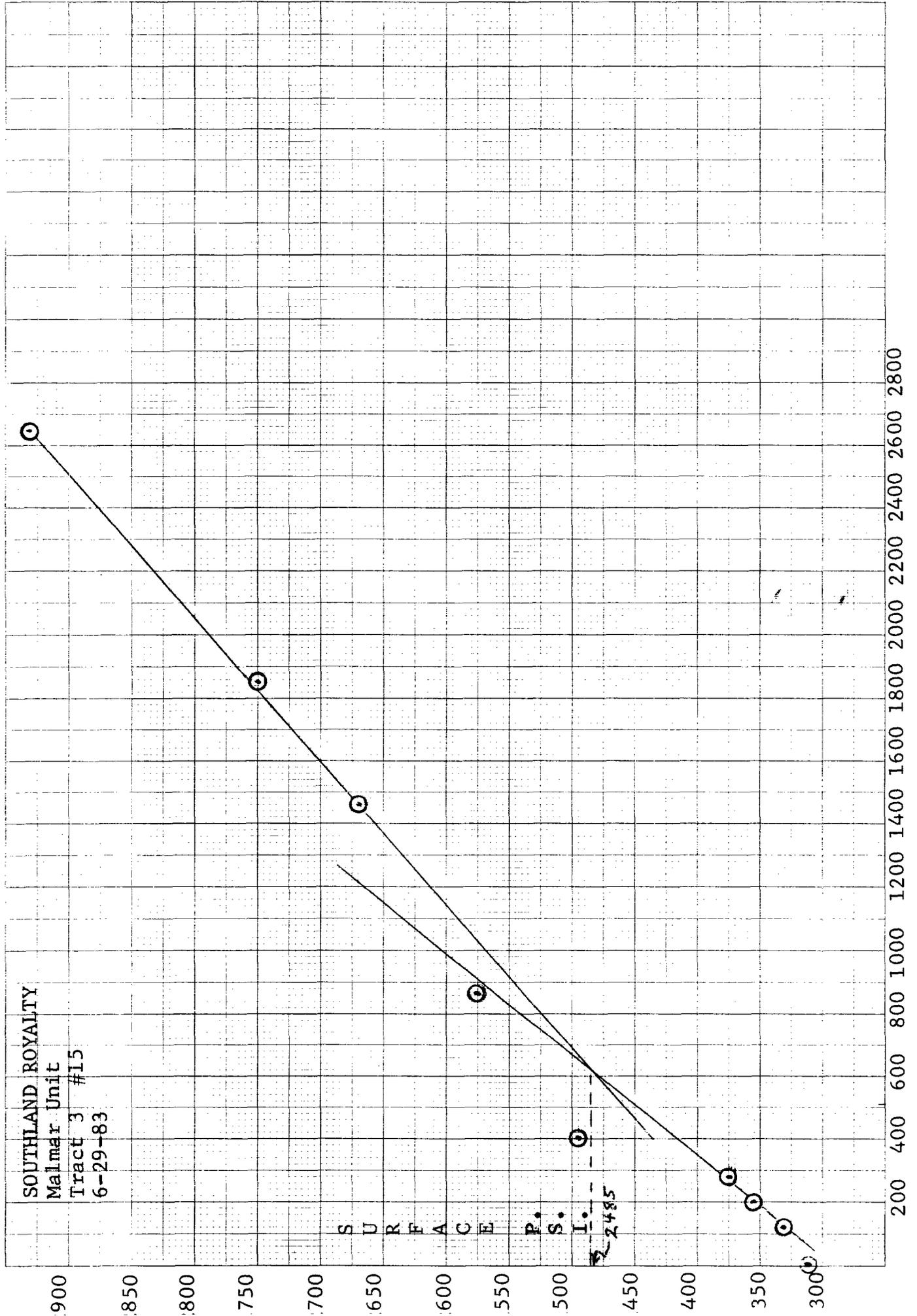
BTM HOLE Frac Press = 4420 psi
Water Column Wt. = 1892 "
Surface Frac Press. = 2528 "

BBLS PER DAY

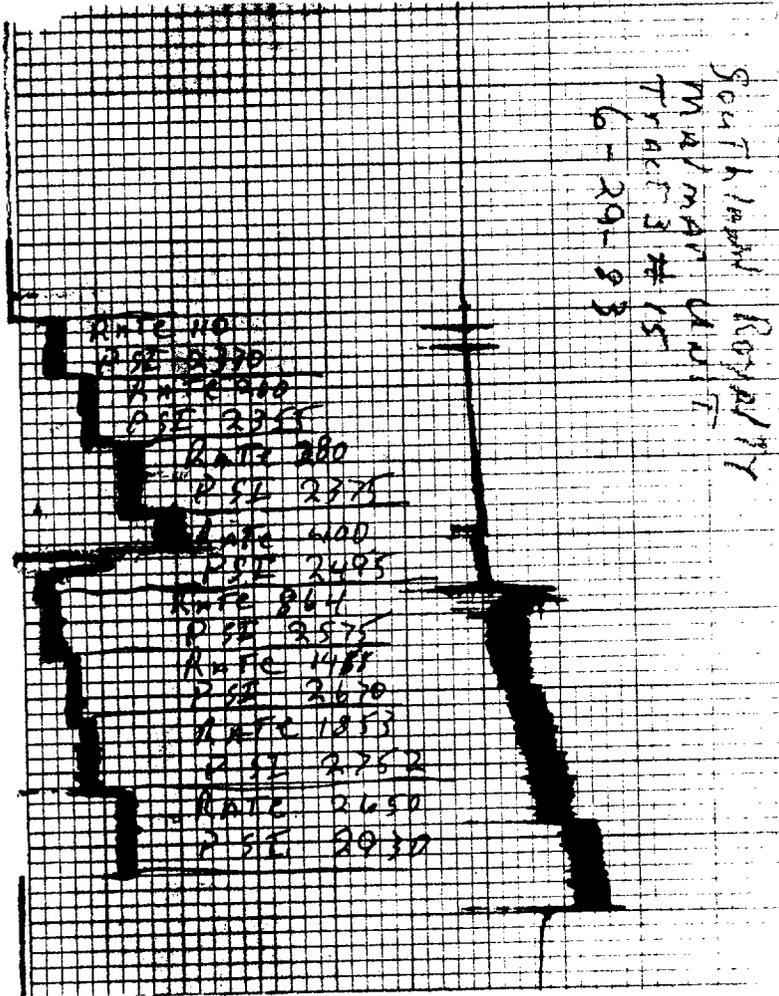
200 400 600 800 1000 1200 1400 1600 1800 2000 2200 2400 2600 2800

1600
1550
1500
1450
1400
1350
1300
1250
1200
1150





DAVIS SERVICES, INC.



SOUTHLAND ROYALTY
 MALMAR UNIT
 TRACT 3 # 15
 6/29/83

TEST DATE: 6-29-83

TEST DEPTH: 4338 FEET

ELEMENT NO.: RPG3#46632

RANGE: 7000 LBS.

CLOCKS: 1935

RANGE: 12 HOUR

OPERATOR: BO FAULKENBERRY

Note: See Attached Sheet for Tabulation of Pressure
And Time.

JOHN STARK

SOUTHLAND ROYALTY

MALMAR UNIT TRAC-3 #15

BENNETT-CATHEY WIRE LINE SERVICE
Box 787 Artesia, N.M. 88210

505/746-3281

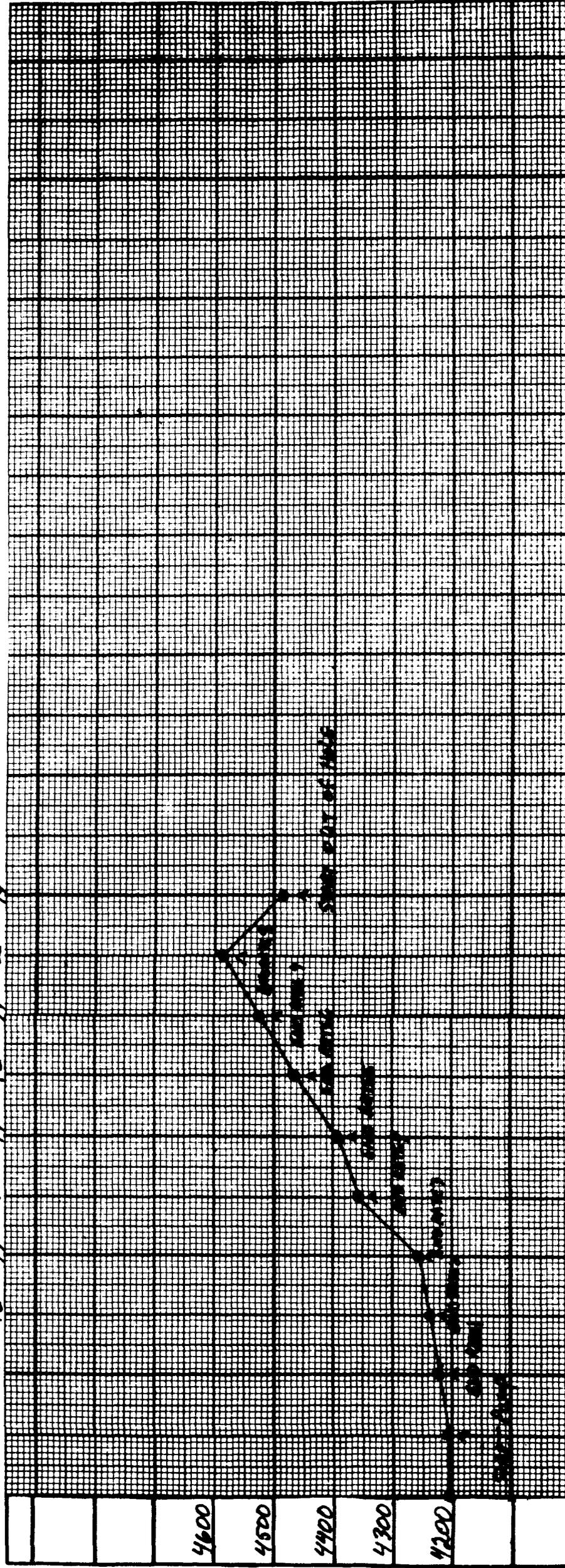
Drawn By Scale: As Shown



STEP RATE TEST

TIME IN HOURS

0 1/4 1/2 3/4 1 1 1/4 1 1/2 2 2 1/4



PRESSURE

DAVIS SERVICES INC.

HOBBS,

(505) 393-0119

STEP RATE TEST

NEW MEXICO

FIELD DATA SHEET

Type Test: Initial Annual Special Test Date: 6/29/83 Lease No. or Serial No.

Company: Southland Royalty Allottee

Field: _____ Reservoir: _____ Location: _____ Unit: _____

Completion Date: _____ Total Depth: _____ Plug Back TD: _____ Elevation: _____ Form or Lease Name: Malmar Unit

Csg. Size: _____ Wt.: _____ d: _____ Set At: _____ Perforations: From 4187 To 4488 Well No.: Tract 3 #15

Tbg. Size: _____ Wt.: _____ d: _____ Set At: _____ Perforations: From _____ To _____ Sec.: _____ Twp - Blk: _____ Rge: _____

Type Completion (Describe): 2 3/8 Plastic Coated Packer Set At: 4109 County or Parish: Lea

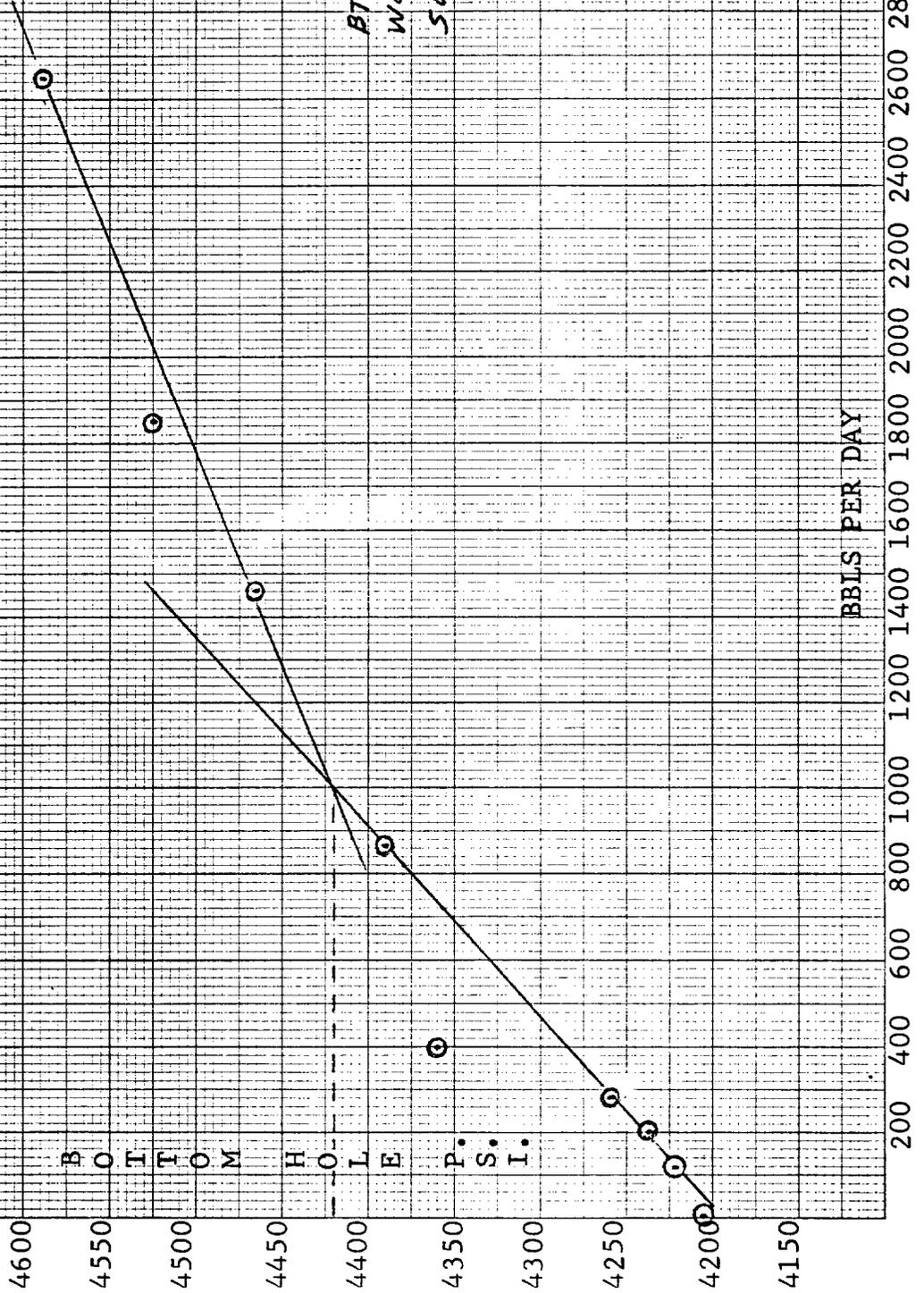
Producing Thru: _____ Reservoir Temp. F: _____ Mean Ground Temp. F: _____ Bern. Press. - P: _____ State: N.M.

CO. REPRESENTATIVE

DATE	ELAP. TIME	well information			surf. psi. cor friction	remarks
		Rate BPD	Surf. Psig	B.H.P.		
Time of Reading	Hrs.					(Include liquid production data: Type - API Gravity - Amount)
2:50		SHUT IN	2313	4205		1892 Colum Wt.
3:00			2313			ON BOTTOM 2:50 pm BOMB @ 4338
3:15	15	120	2330	4223		START TEST
3:15						
3:30	30	200	2355	4237		
3:30						
3:45	45	280	2375	4257		
3:45						
4:00	1	400	2495	4359	2454	LOST H2O SWITCH TO PUMP TRUCK
4:00						
4:15	15	864	2575	4390	2486	
4:15						
4:30	30	1458	2670	4466	2561	
4:45						
5:00	45	1853	2752	4524	2619	
5:00						
5:15	2	2650	2930	4588	2683	END TEST

SOUTHLAND ROYALTY

Malmar Unit
Tract 3 #15
6-29-83



BTM HOLE Frac Press = 4420 psi
Water Column Wt. = 1892 "
Surface Frac Press. = 2528 "

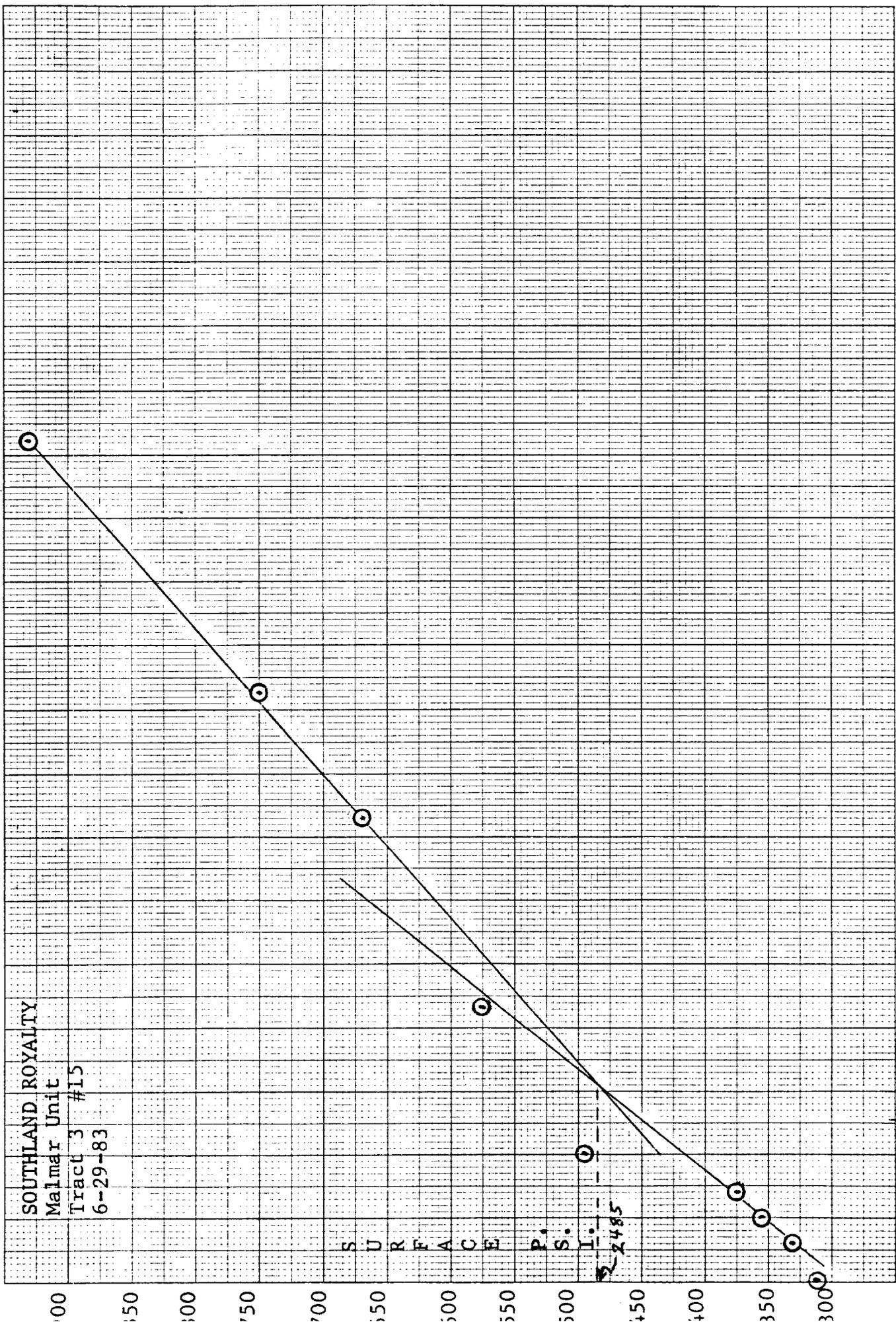
SOUTHLAND ROYALTY

Malmar Unit

Tract 3 #15

6-29-83

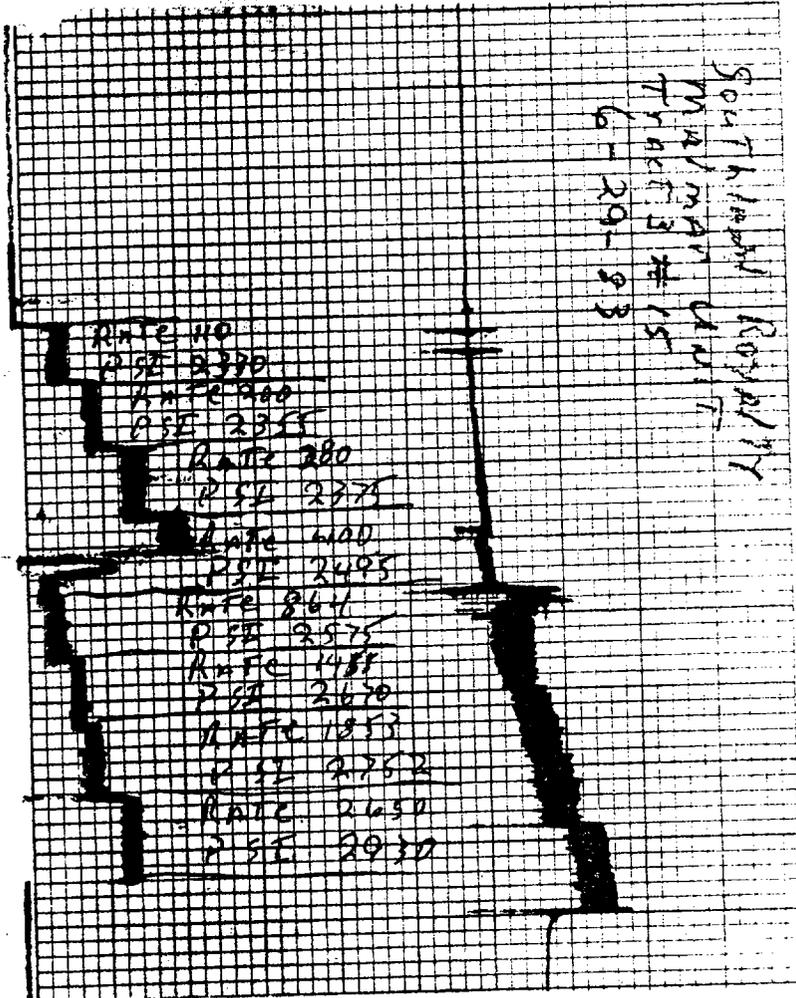
S U R F A C E P. S. I. 2485



200 400 600 800 1000 1200 1400 1600 1800 2000 2200 2400 2600 2800

800 750 700 650 600 550 500 450 400 350 300

DAVIS SERVICES, INC.



SOUTHLAND ROYALTY
MALMAR UNIT
TRACT 3 # 15
6/29/83

TEST DATE: b-29-83

TEST DEPTH: 4338 FEET

ELEMENT NO.: RPG3#46632

RANGE: 7000 LBS.

CLOCKS: 1935

RANGE: 12 HOUR

OPERATOR: BO FAULKENBERRY

Note: See Attached Sheet for Tabulation of Pressure
And Time.

JOHN STARK

SOUTHLAND ROYALTY

MALMAR UNIT TRAC-3 #15

BENNETT-CATHEY WIRE LINE SERVICE
Box 787 Artesia, N.M. 88210

505/746-3281

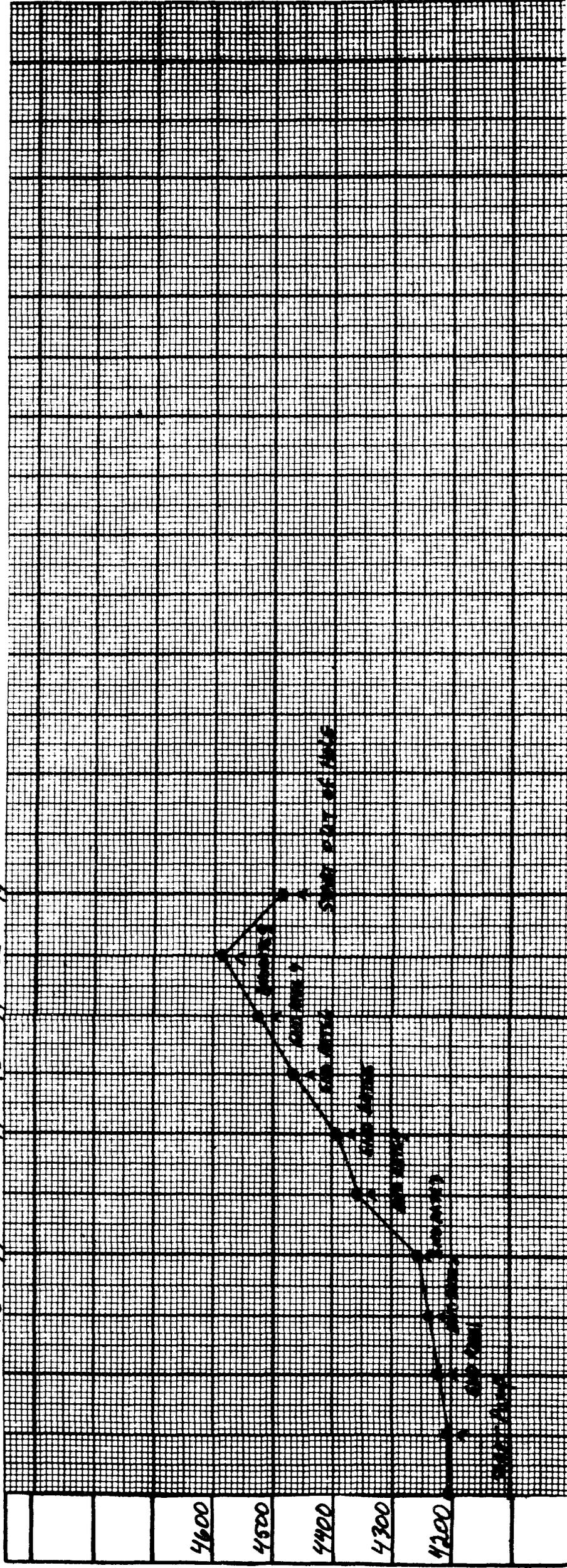
Drawn By Scale: As Shown



STEP RATE TEST

TIME IN HOURS

0 1/4 1/2 3/4 1 1 1/4 2 2 1/4



DAVIS SERVICES INC.

(505) 393-0119

STEP RATE TEST

HOBBS,

NEW MEXICO

FIELD DATA SHEET

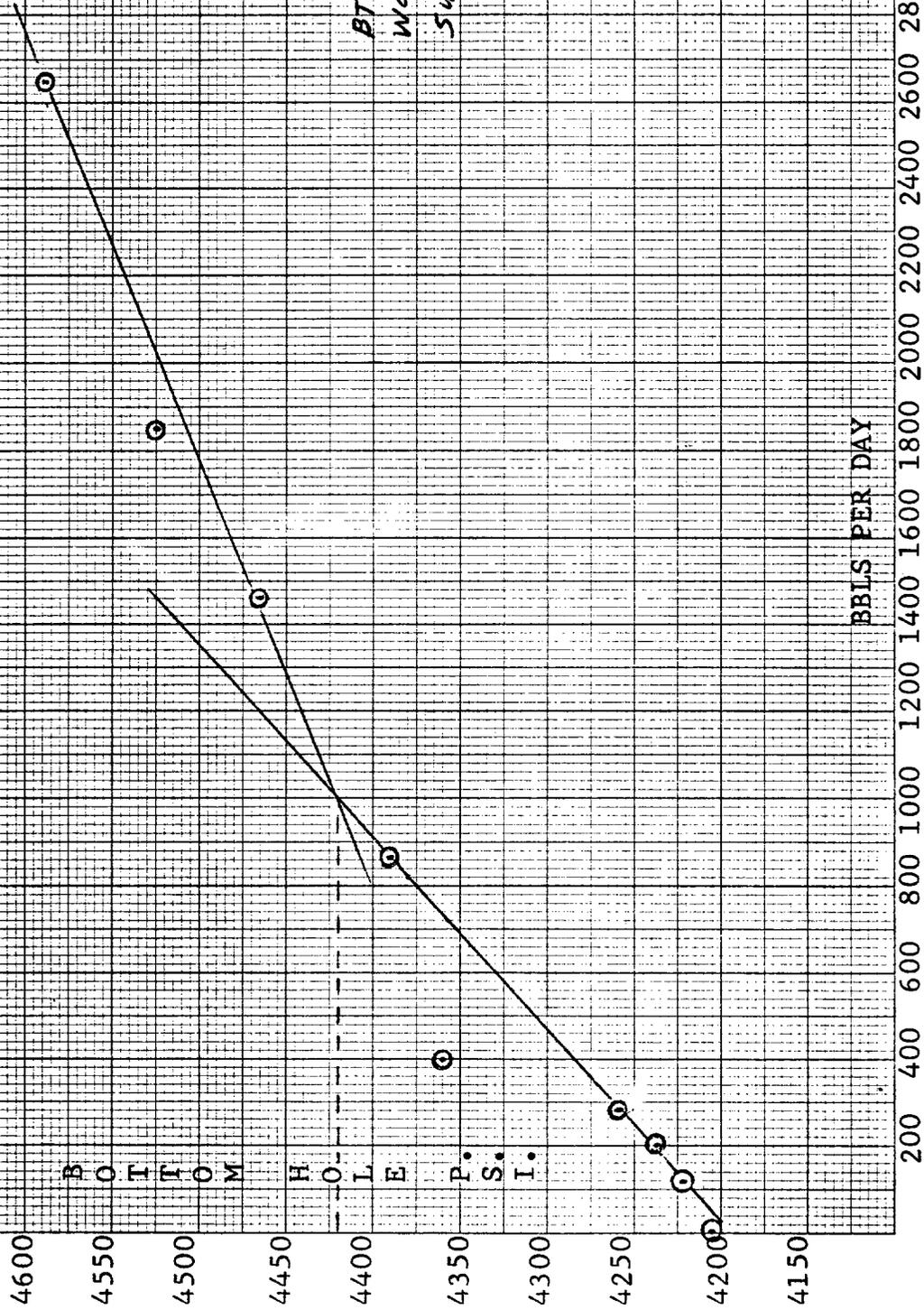
Type Test: <input type="checkbox"/> Initial <input type="checkbox"/> Annual <input type="checkbox"/> Special	Test Date 6/29/83	Lease No. or Serial No.
Company Southland Royalty	Allottee	
Field	Reservoir	Location
Completion Date	Total Depth	Plug Back TD
Elevation	Form or Lease Name Malmar Unit	
Csg. Size	Wt.	d
Set At	Perforations: From 4187	To 4488
Tbg. Size	Wt.	d
Set At	Perforations: From	To
Type Completion (Describe) 2 3/8 Plastic Coated	Packer Set At 4109	Well No. Tract 3 #15
Producing Thru	Reservoir Temp. F	Mean Ground Temp. F
Baro. Press. - P.	County or Parish Lea	
State	N.M.	

CO. REPRESENTATIVE

DATE	ELAP. TIME	well information			surf.	remarks
		Rate BPD	Surf. Psig	B.H.P.	psi. cor. friction	
2:50		SHUT IN	2313	4205		1892 Colum Wt. (Include liquid production data: Type - API Gravity - Amount)
3:00			2313			ON BOTTOM 2:50 pm BOMB @ 4338
3:15	15	120	2330	4223		START TEST
3:15						
3:30	30	200	2355	4237		
3:30						
3:45	45	280	2375	4257		
3:45						
4:00	1	400	2495	4359	2454	LOST H2O SWITCH TO PUMP TRUCK
4:00						
4:15	15	864	2575	4390	2486	
4:15						
4:30	30	1458	2670	4466	2561	
4:45						
5:00	45	1853	2752	4524	2619	
5:00						
5:15	2	2650	2930	4588	2683	END TEST

SOUTHLAND ROYALTY

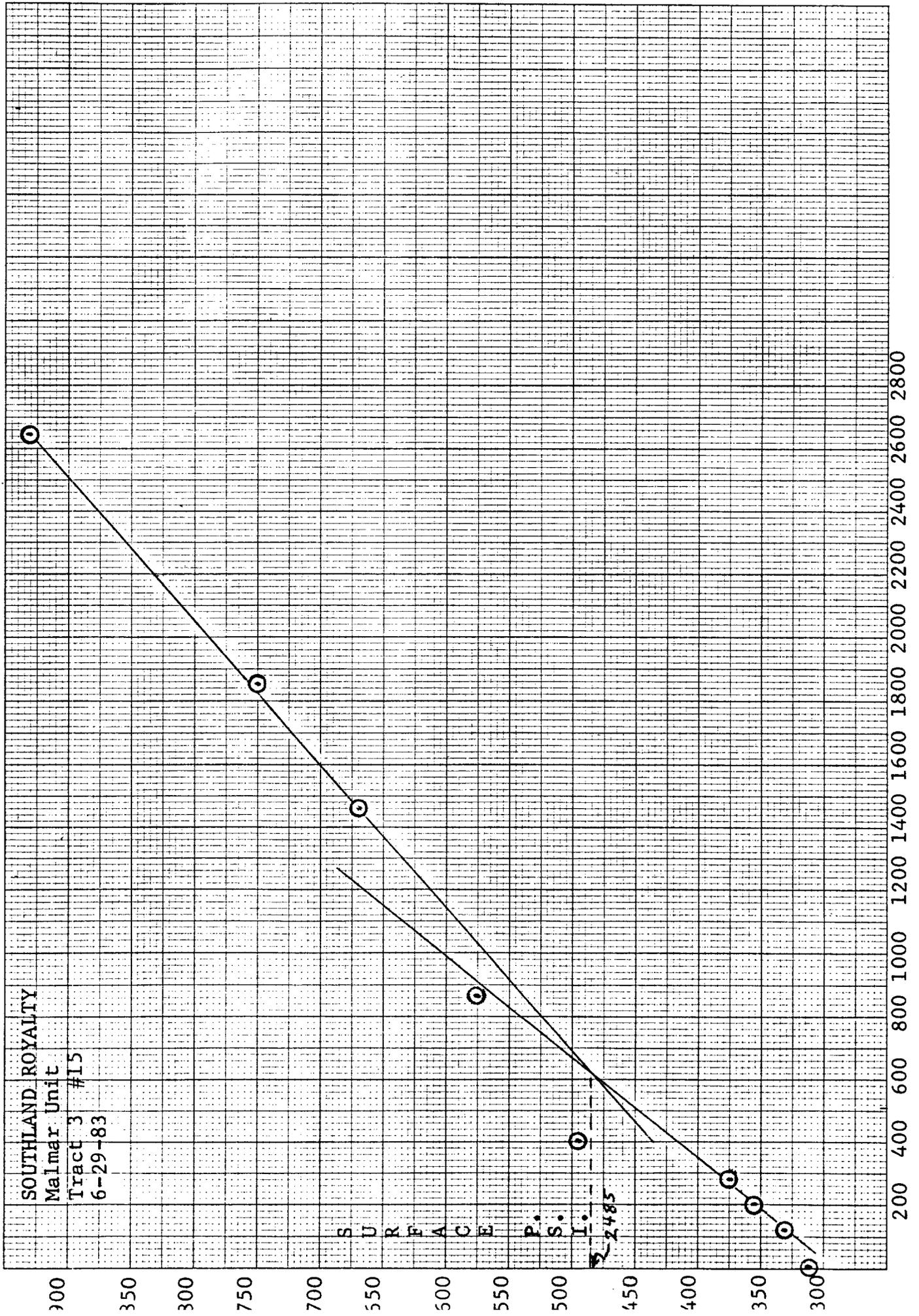
Malmar Unit
Tract 3 #15
6-29-83



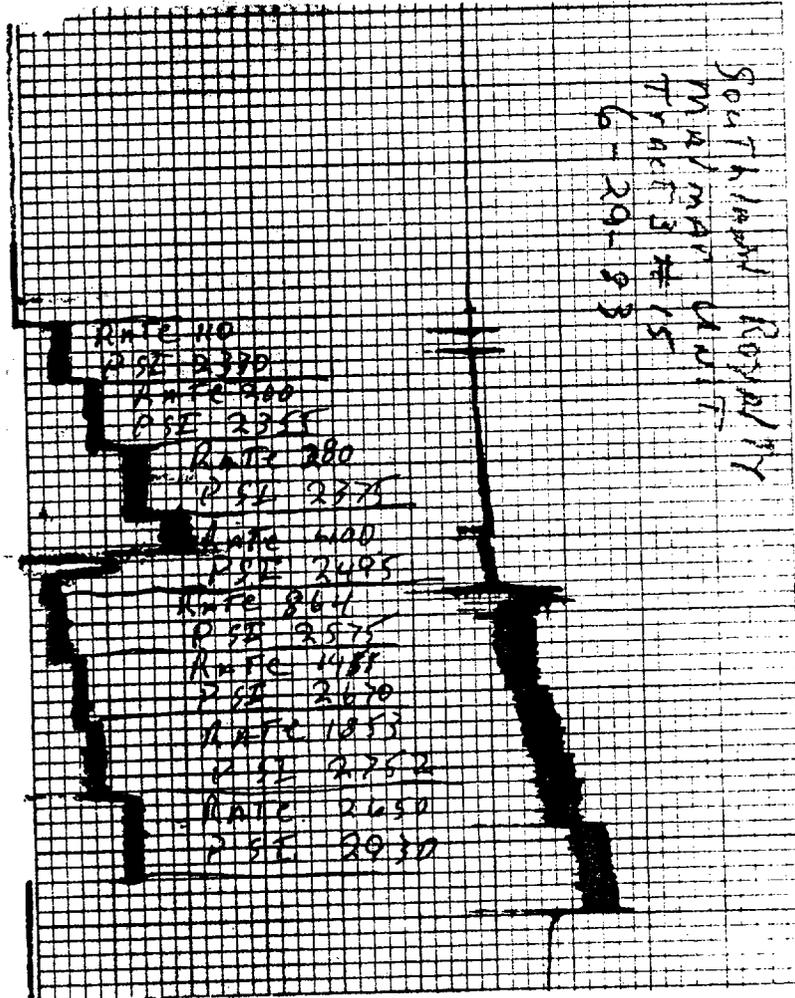
B
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I

BTM HOLE Frac Press = 4420 psi
Water Column Wt. = 1892 "
Surface Frac Press = 2528 "

BBLs PER DAY



DAVIS SERVICES, INC.



SOUTHLAND ROYALTY
MALMAR UNIT
TRACT 3 # 15
6/29/83

TEST DATE: b-29-83

TEST DEPTH: 4338 FEET

ELEMENT NO.: RPG3#46632

RANGE: 7000 LBS.

CLOCKS: 1935

RANGE: 12 HOUR

OPERATOR: BO FAULKENBERRY

Note: See Attached Sheet for Tabulation of Pressure
And Time.

JOHN STARK

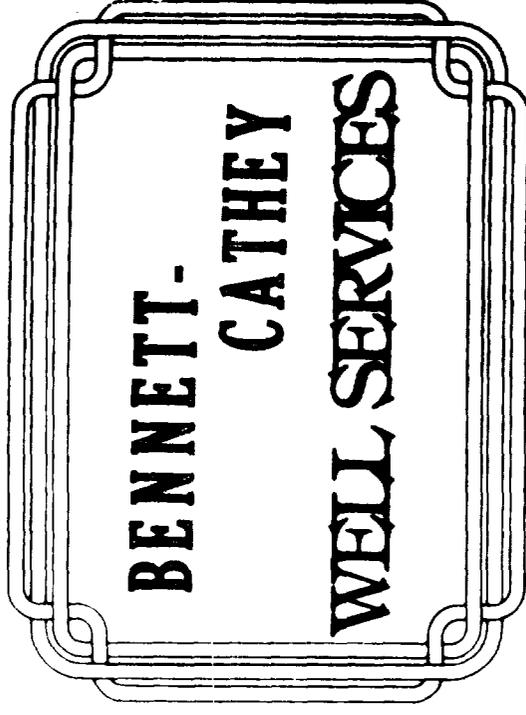
SOUTHLAND ROYALTY

MALMAR UNIT TRAC-3 #15

BENNETT-CATHEY WIRE LINE SERVICE
Box 787 Artesia, N.M. 88210

505/746-3281

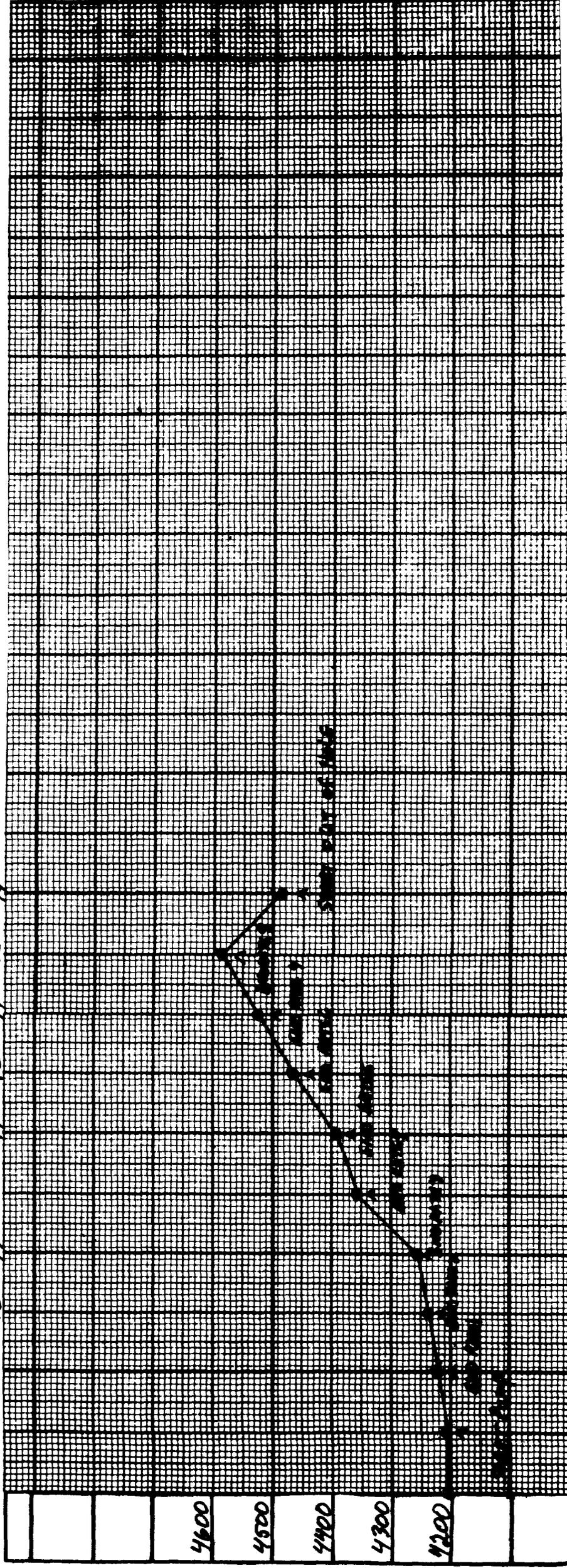
Drawn By Scale: As Shown



STEP RATE TEST

TIME IN HOURS

0 1/4 1/2 3/4 1 1 1/4 1 1/2 2 2 1/4



PRESSURE

DAVIS SERVICES INC.

(505) 393-0119

STEP RATE TEST

HOBBS,

NEW MEXICO

FIELD DATA SHEET

Type Test: Initial Annual Special Test Date 6/29/83 Lease No. or Serial No.

Company Southland Royalty Allottee

Field Reservoir Location Unit

Completion Date Total Depth Plug Back TO Elevation Form or Lease Name Malmar Unit

Csg. Size Wt. d Set At Perforations: From 4187 To 4488 Well No. Tract 3 #15

Tbg. Size Wt. d Set At Perforations: From To Sec. Twp - Blk Rge -

Type Completion (Describe) 2 3/8 Plastic Coated Packer Set At 4109 County or Parish Lea

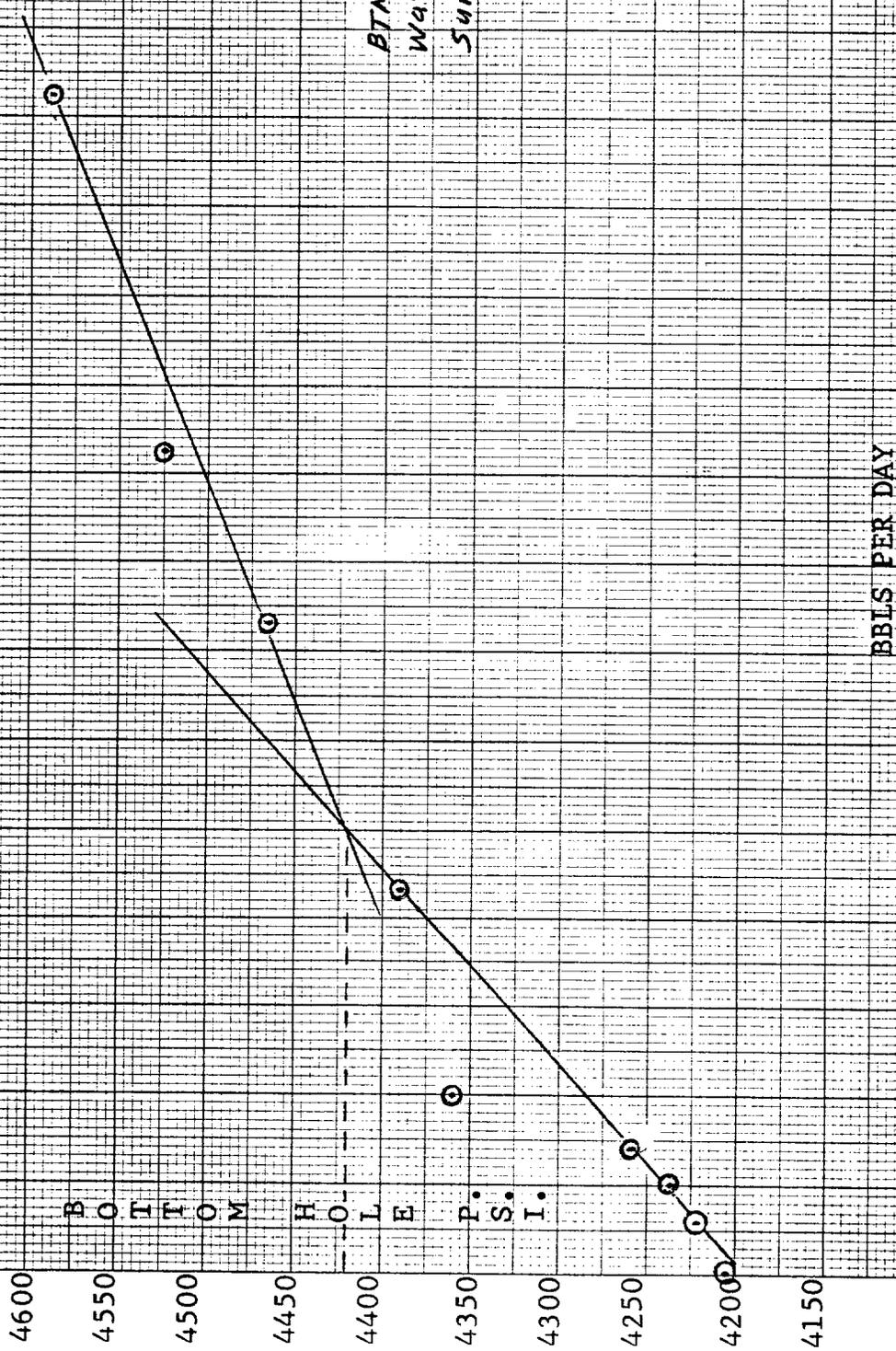
Producing Thru Reservoir Temp. F Mean Ground Temp. F Baro. Press. - P State N.M.

CO. REPRESENTATIVE

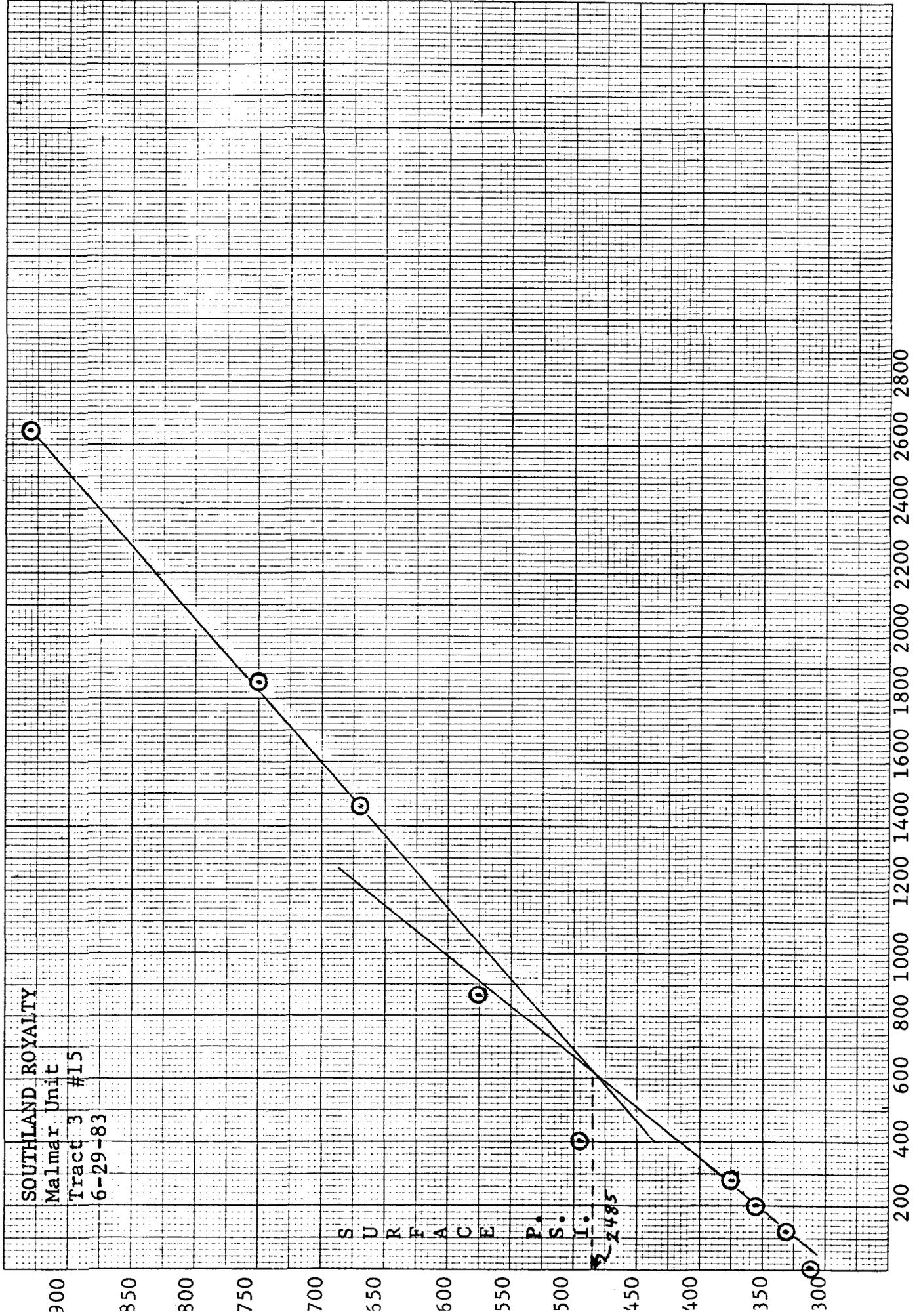
DATE	ELAP. TIME	well information			surf. psi. cor friction	remarks
		Rate BPD	Surf. Psig	B.H.P.		
Time of Reading	Hrs.					(Include liquid production data: Type - API Gravity - Amount)
2:50		SHUT IN	2313	4205		1892 Colum Wt. ON BOTTOM 2:50 pm BOMB @ 4338
3:00			2313			START TEST
3:15	15	120	2330	4223		
3:15						
3:30	30	200	2355	4237		
3:30						
3:45	45	280	2375	4257		
3:45						
4:00	1	400	2495	4359	2454	LOST H2O SWITCH TO PUMP TRUCK
4:00						
4:15	15	864	2575	4390	2486	
4:15						
4:30	30	1458	2670	4466	2561	
4:30						
4:45						
5:00	45	1853	2752	4524	2619	
5:00						
5:15	2	2650	2930	4588	2683	END TEST

SOUTHLAND ROYALTY

Malmir Unit
Tract 3 #15
6-29-83



BTM. HOLE Frac Press = 4420. psi
Water Column Wt. = 1892 "
Surface Frac Press. = 2528 "



TEST DATE: 6-29-85

TEST DEPTH: 4338 FEET

ELEMENT NO.: RPG3#46632

RANGE: 7000 LBS.

CLOCKS: 1935

RANGE: 12 HOUR

OPERATOR: BO FAULKENBERRY

Note: See Attached Sheet for Tabulation of Pressure
And Time.

JOHN STARK

SOUTHLAND ROYALTY

MALMAR UNIT TRAC-3 #15

BENNETT-CATHEY WIRE LINE SERVICE
Box 787
Artesia, N.M. 88210

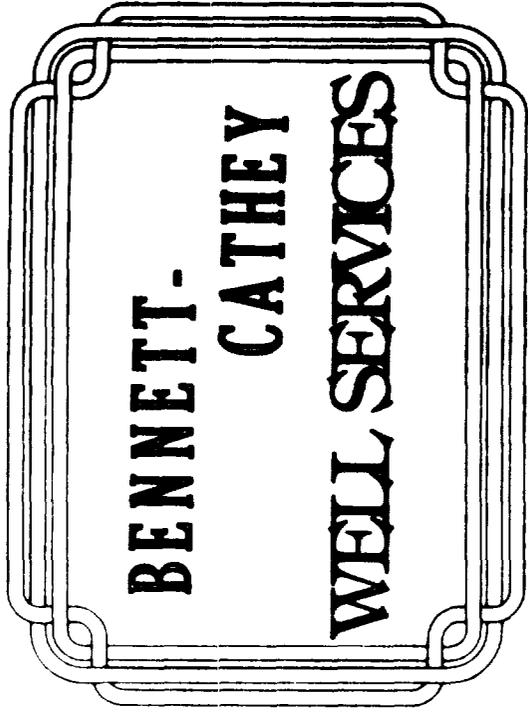
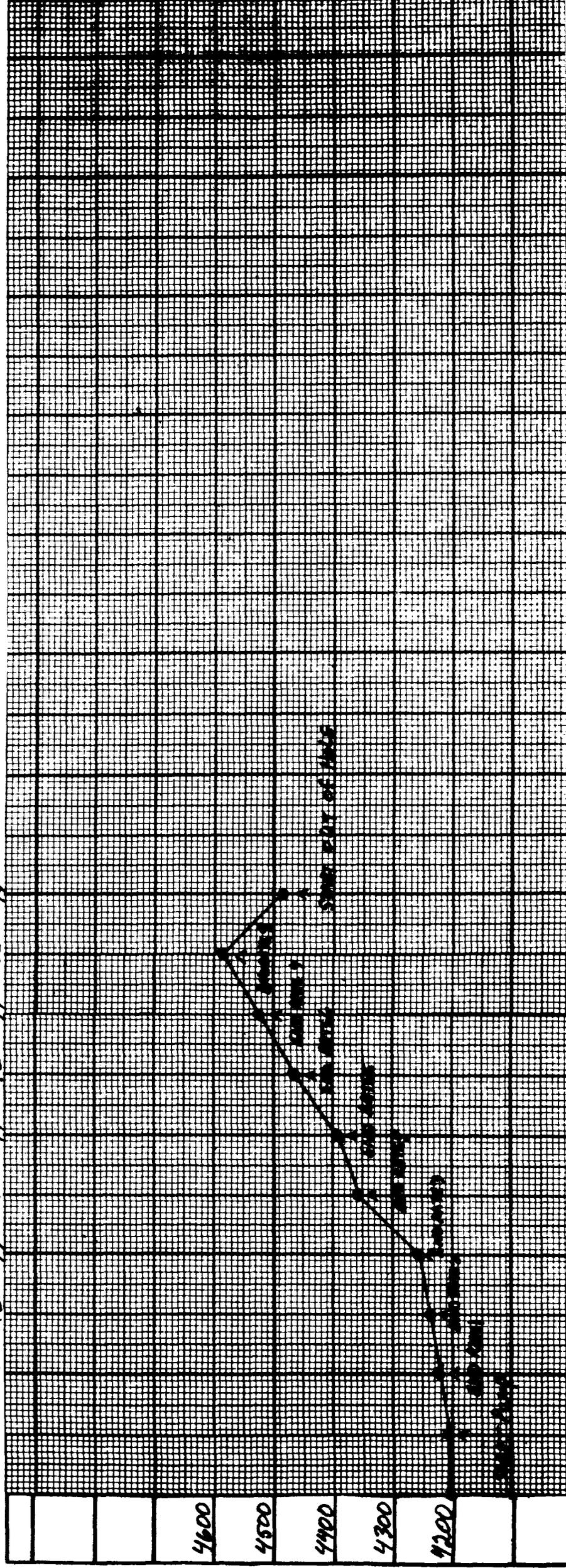
505/746-3281

Drawn By Scale: As Shown

STEP RATE TEST

TIME IN HOURS

0 1/4 1/2 3/4 1 1 1/4 2 2 1/4



DAVIS SERVICES INC.

(505) 393-0119

STEP RATE TEST

HOBBS,

NEW MEXICO

FIELD DATA SHEET

Type Test: Initial Annual Special Test Date: 6/29/83 Lease No. or Serial No.

Company: Southland Royalty Allotree

Field: _____ Reservoir: _____ Location: _____ Unit: _____

Completion Date: _____ Total Depth: _____ Plug Back TD: _____ Elevation: _____ Form or Lease Name: Malmar Unit

Csg. Size: _____ Wt.: _____ d: _____ Set At: _____ Perforations: From 4187 To 4488 Well No.: Tract 3 #15

Tbg. Size: _____ Wt.: _____ d: _____ Set At: _____ Perforations: From _____ To _____ Sec.: _____ Twp - Blk _____ Rpt. _____

Type Completion (Describe): 2 3/8 Plastic Coated Packer Set At: 4109 County or Parish: Lea

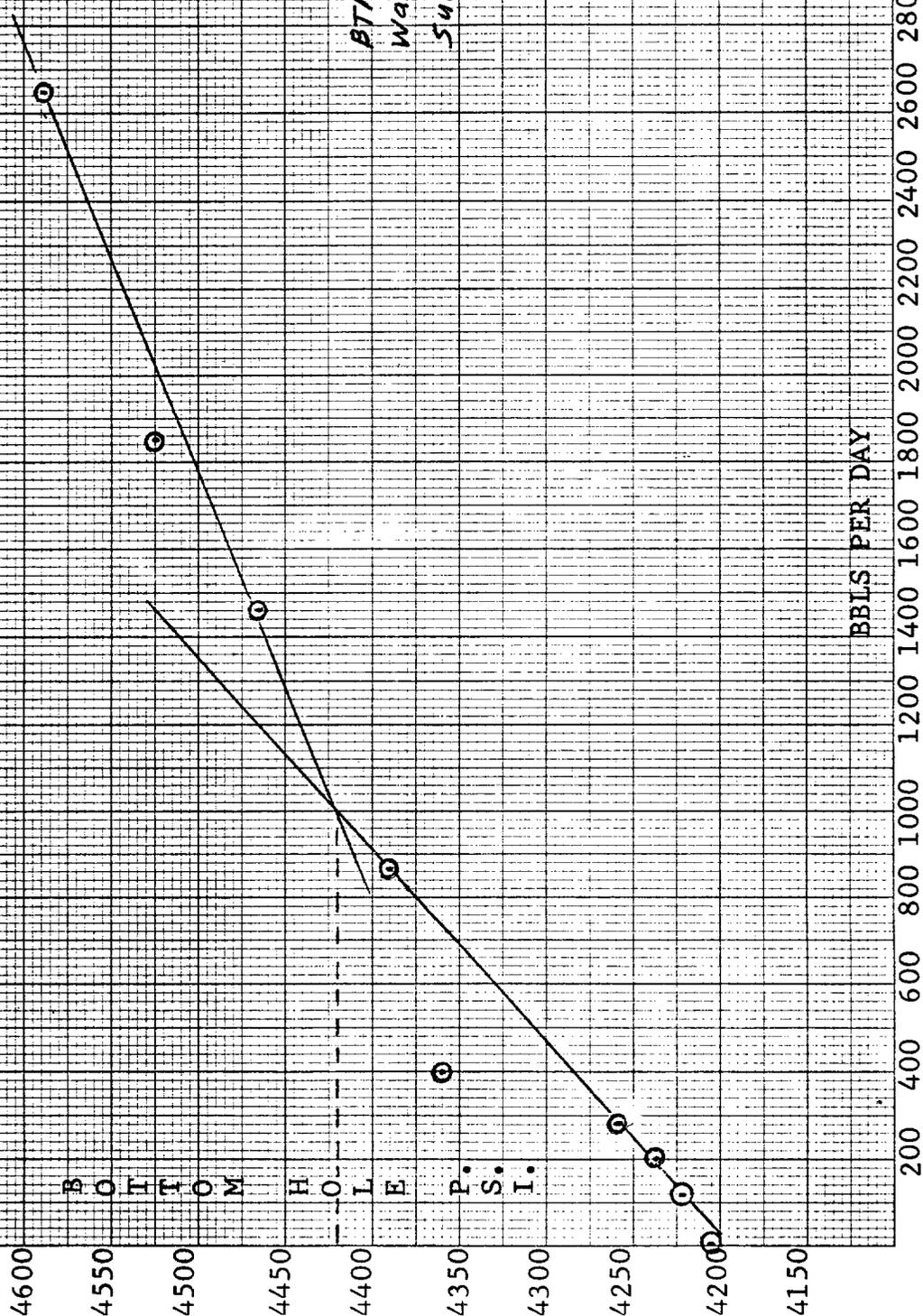
Producing Thru: _____ Reservoir Temp. F: _____ Mean Ground Temp. F: _____ Baro. Press. - P: _____ State: N.M.

CO. REPRESENTATIVE

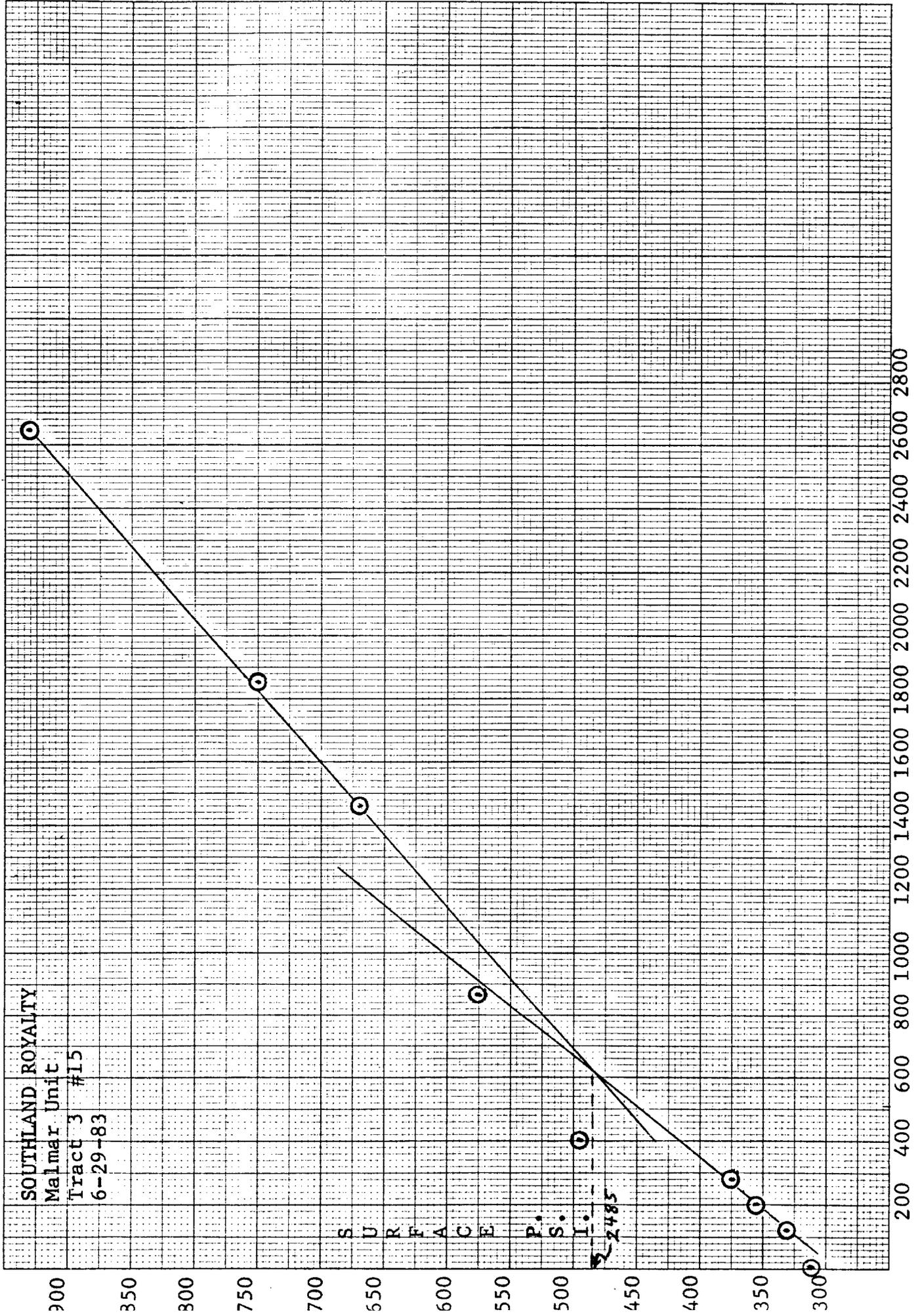
DATE	ELAP. TIME	well information			surf. psi. cor. friction	remarks
		Rate BPD	Surf. Psig	B.H.P.		
2:50		SHUT IN	2313	4205		1892 Colum Wt. (include liquid production data: Type - API Gravity - Amount)
3:00			2313			ON BOTTOM 2:50 pm BOMB @ 4338
3:15	15	120	2330	4223		START TEST
3:15						
3:30	30	200	2355	4237		
3:30						
3:45	45	280	2375	4257		
3:45						
4:00	1	400	2495	4359	2454	LOST H2O SWITCH TO PUMP TRUCK
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4:15	15	864	2575	4390	2486	
4:15						
4:30	30	1458	2670	4466	2561	
4:45						
5:00	45	1853	2752	4524	2619	
5:00						
5:15	2	2650	2930	4588	2683	END TEST

SOUTHLAND ROYALTY

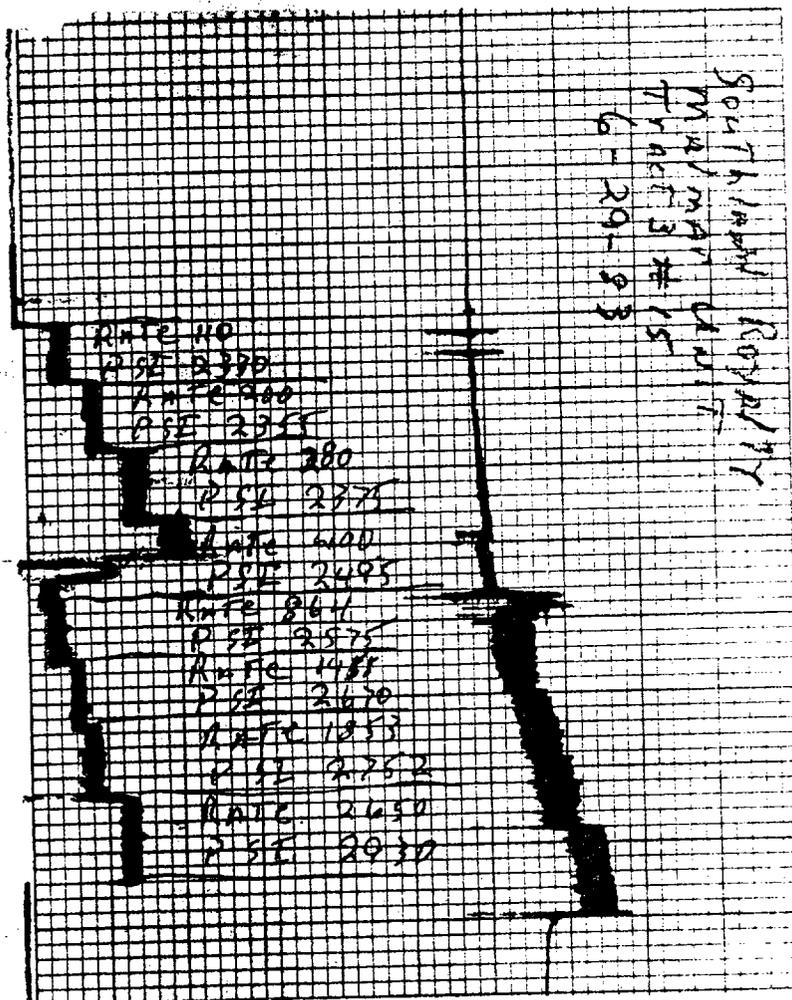
Malmar Unit
Tract 3 #15
6-29-83



BTM HOLE Frac Press = 4420. psi
Water Column Wt. = 1892 "
Surface Frac Press. = 2528 "



DAVIS SERVICES, INC.



SOUTHLAND ROYALTY
MALMAR UNIT
TRACT 3 # 15
6/29/83

TEST DATE: b-29-85

TEST DEPTH: 4338 FEET

ELEMENT NO.: RPG3#46632

RANGE: 7000 LBS.

CLOCKS: 1935

RANGE: 12 HOUR

OPERATOR: BO FAULKENBERRY

Note: See Attached Sheet for Tabulation of Pressure
And Time.

JOHN STARK

SOUTHLAND ROYALTY

MALMAR UNIT TRAC-3 #15

BENNETT-CATHEY WIRE LINE SERVICE
Box 787
Artesia, N.M. 88210

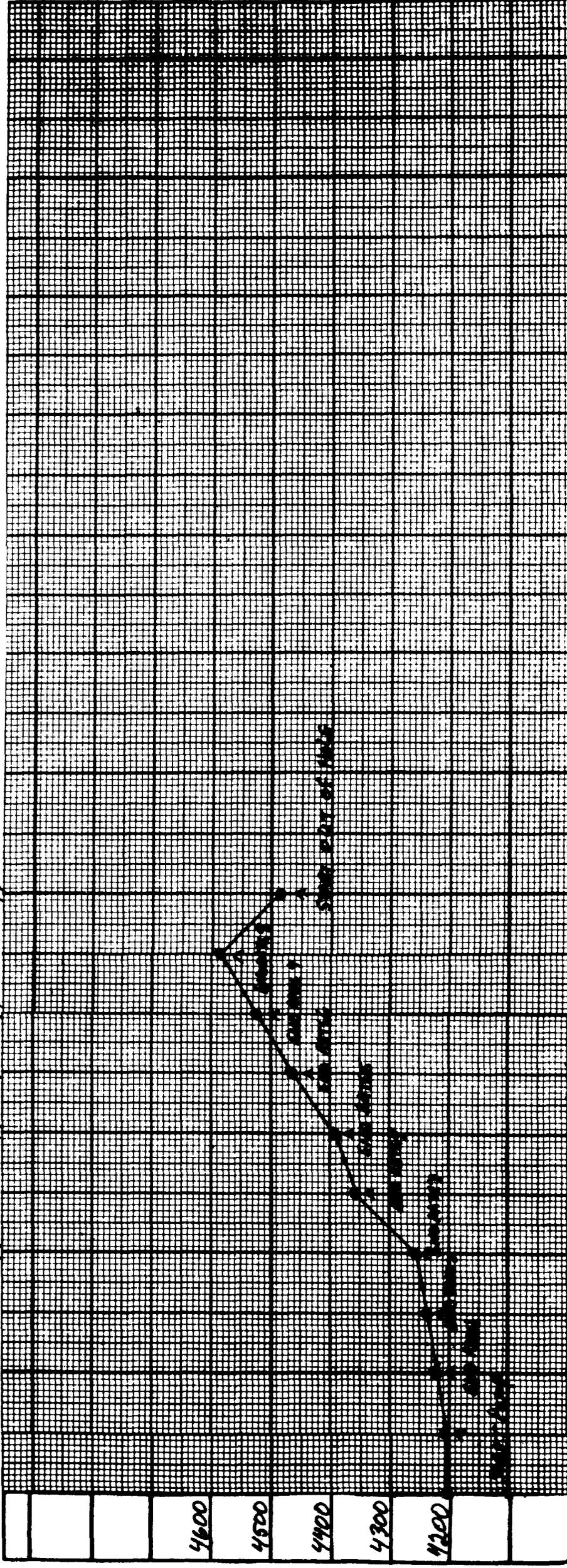
505/746-3281

Drawn By Scale: As Shown

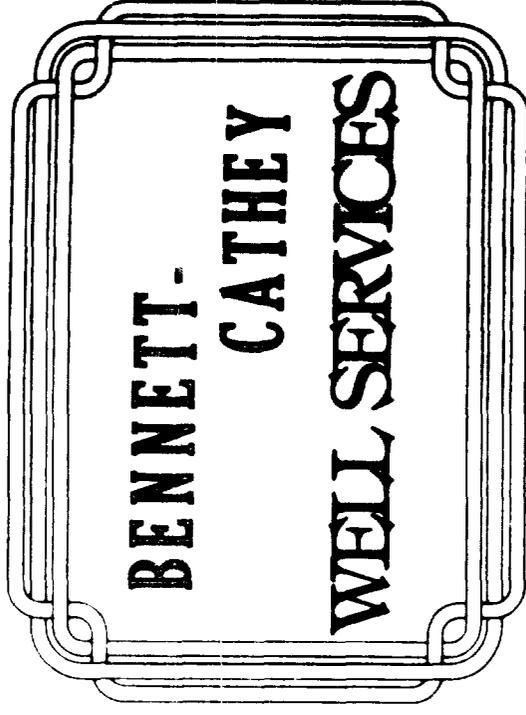
STEP RATE TEST

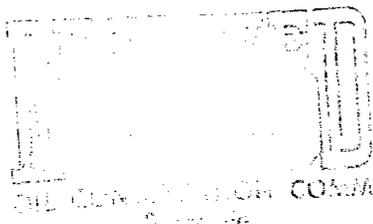
TIME IN HOURS

0 1/4 1/2 3/4 1 1 1/4 2 2 1/4



Pressure





GREAT WESTERN DRILLING COMPANY
 Monthly Progress Report No. 139

FINAL REPORT

Project: MALMAR UNIT
 Location: LEA COUNTY, NEW MEXICO
 Field: MALJAMAR GRAYBURG-SAN ANDRES
 Unitization Date: 4-1-62

Month: OCTOBER, 1973
 Number of Acres: 1,360
 Formation: SAN ANDRES
 Flood No.: 750-50

STATISTICAL SUMMARY

	<u>This Month</u>	<u>Last Month</u>
Monthly Oil Production - barrels	2,875	2,846
Monthly Oil Sales - barrels	3,156	3,329
Monthly Gas Sales - MCF	--	--
Monthly Water Production - barrels	11,780	11,400
Monthly Injection - barrels	85,097	80,336
Daily Average Oil Production - barrels	93	95
Daily Average Water Production - barrels	380	380
Daily Average Injection - barrels	2,745	2,678

Barrels

Cumulative Oil Production to Unitization	522,250
Cumulative Oil Production Since Unitization	708,230
Cumulative Project Oil Recovery	1,230,480
Cumulative Water Production Since Unitization	1,274,242
Cumulative Injection	9,872,026

WELL STATUS

	<u>Active</u>	<u>Shut in</u>	<u>Abandoned</u>	<u>Total</u>
Producing	17			17
Injection	17			17
Supply				
TOTAL	34			34

MONTHLY ACTIVITY

Date Well No. Comments



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR

December 2, 1982

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

Southland Royalty Company
21 Desta Drive
Midland, Texas 79701

Attention: John Stark

Re: Case No. 2456
Orders Nos. R-2155 and
WFX-142
Injection Pressure Increase

Dear Mr. Harbin:

Based on our telephone conversation today and test data submitted by your letter of August 7, 1982, the maximum authorized wellhead pressure for the described well is hereby increased to 2370 psi:

Malmar Unit Tr. 1 No. 2, Unit B, 13-T17S-R32E

Yours very truly,

JOE D. RAMEY
Director

JDR/RJ/fd

cc: Jerry Sexton
Sarah Archuleta
/Case File

Southland Royalty Company
 Malmar Unit Tr. #1 Well No. 2
 Step-Rate Test
 Tabulation of Pressure & Time

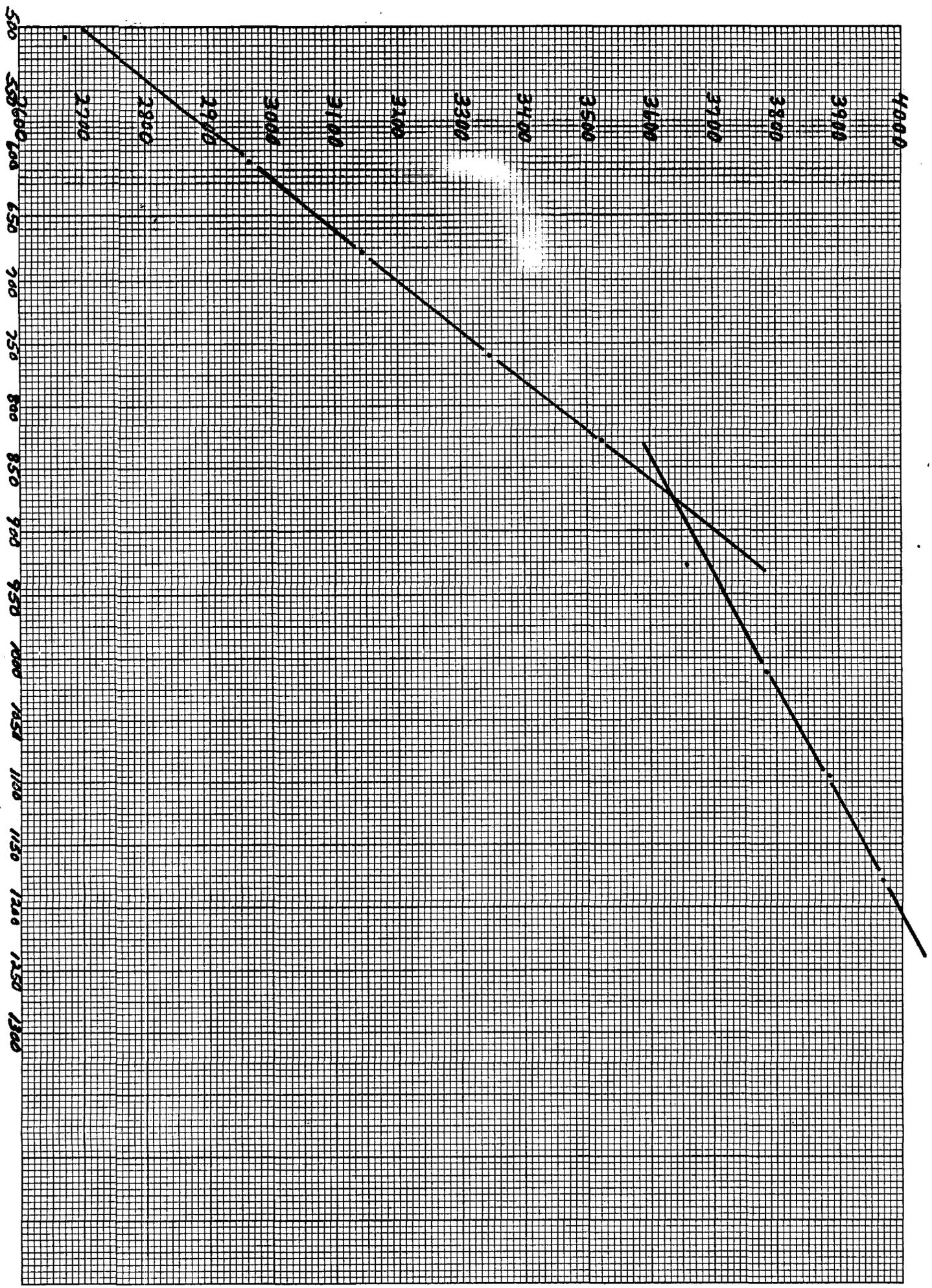
Test Conducted By:
 D. & R. Well Testing

Test Date: July 15, 1982
 Test Depth: 4298 Feet
 Clock: 0-12 Hour
 Element: 0-6500 P.S.I.
 Operator: Don Tyson & Leroy Thompson

Gradient .454

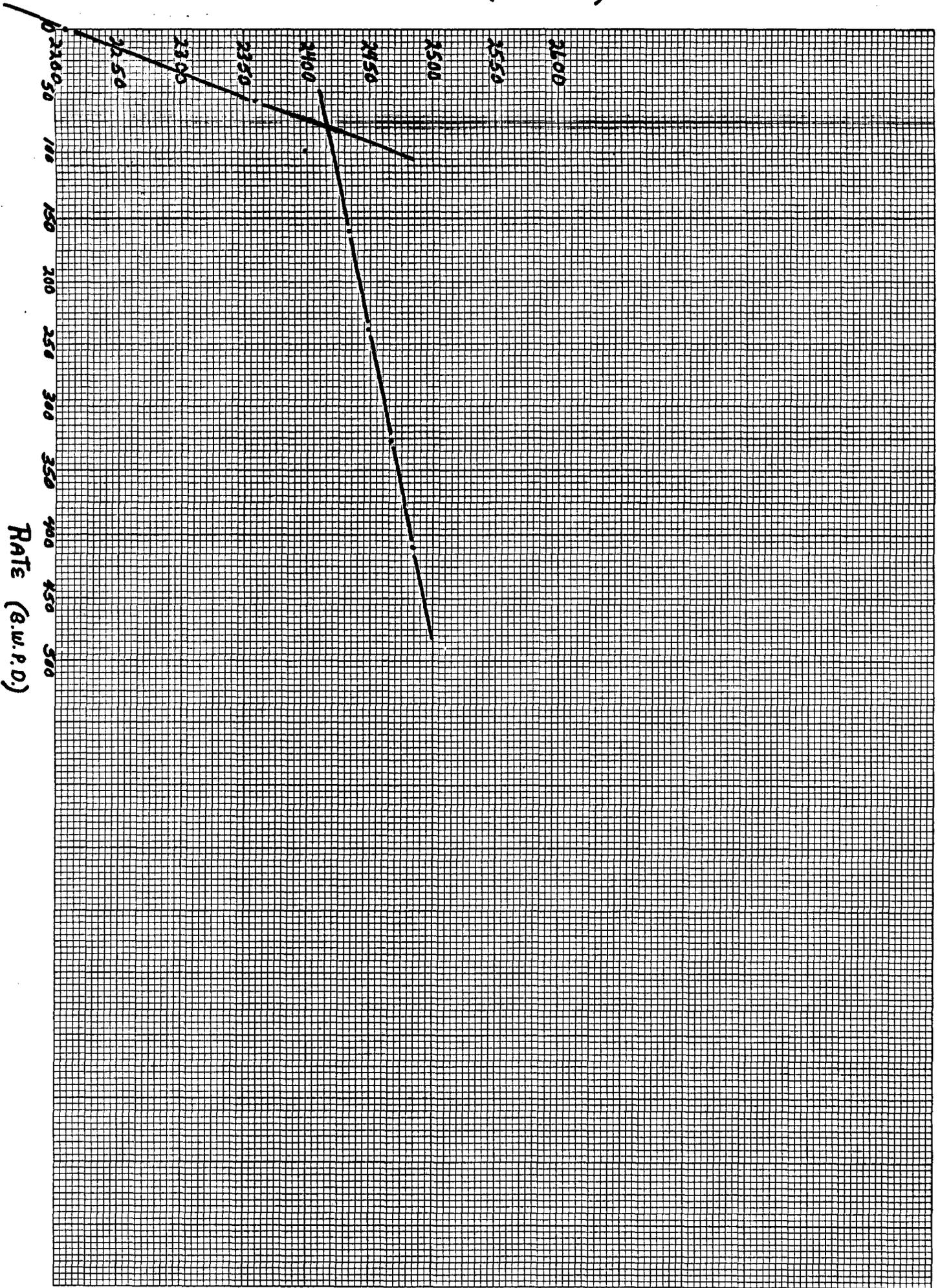
<u>Cum. Hrs. & Min.</u>	<u>W.H.D.W. Pres.</u>	<u>Rate B.W.P.D.</u>	<u>P.S.I.G. Center Perfs.</u>
00 Hrs. 00 Min.	2207	S.I.	4133 Gauge @ 3898'
00 15	2207	S.I.	4133 Start Pump
00 20	2320	78	4231 Rate 1
00 25	2339	60	4254
00 30	2360	56	4270 End Rate 1
00 35	2375	97	4280 Rate 2
00 40	2390	99	4289
00 45	2399	99	4303 End Rate 2
00 50	2413	138	4312 Rate 3
00 55	2421	119	4325
01 00	2433	160	4335 End Rate 3
01 05	2437	229	4342 Rate 4
01 10	2448	250	4348
01 15	2449	239	4351 End Rate 4
01 20	2460	320	4361 Rate 5
01 25	2462	325	4371
01 30	2467	327	4374 End Rate 5
01 35	2474	390	4381
01 40	2479	383	4381
01 45	2485	410	4384 End Rate 5
			End Test.

1.0000 2.0000



RATE (B.W.P.O.)

U.W. I. S. I. G. (Well Hand)



RATE (B.W.P.D.)



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR

September 14, 1982

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

Southland Royalty Company
21 Desta Drive
Midland, Texas 79701

Attention: Mr. K. W. Harbin

Re: Case No. 2456, R-2155
and WFX's-495 and 142
Injection Pressure Increase

Dear Mr. Harbin:

Based on information and test data submitted by your letter of August 7, 1982, the maximum authorized wellhead pressure for the following described wells is hereby increased to 1700 psi:

Malmar Unit Tr. 3 No. 15, Unit O, 12-T17S-R32E
Malmar Unit Tr. 1 No. 2, Unit B, 13-T17S-R32E

Yours very truly,

JOE D. RAMEY
Director

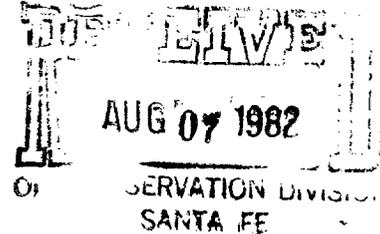
JDR/RJ/fd

cc: Jerry Sexton
R. L. Stamets
✓ Case File



Southland Royalty Company

July 26, 1982



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

Attention: Mr. Roy Johnson

Re: Request Approval to Inject
at Higher Pressures
N. E. Maljamar (GB-SA) Field
Lea County, New Mexico

Gentlemen:

Your approval is requested to increase the maximum allowable surface injection pressure for 3 wells in the Southland operated Malmar Unit, which produces from the N. E. Maljamar (GB-SA) Field, Lea County, New Mexico. This request is based on results from step rate tests performed on 2 of these wells.

The relative locations of the 3 wells that this request is made are shown on the attached map. The Malmar Unit Tr. 3 No. 15 was approved on January 22, 1982 to be converted to a water injector. A maximum injection pressure of 2800 psi was requested but a pressure of 840 psi was approved. Similarly, the Malmar Unit Tr. 1 No. 2 was approved on November 19, 1981 to be restored to injection but at a maximum pressure of 830 psi instead of the requested 2800 psi. The work on both of these wells was completed during June 1982. Step rate tests were then run on each well on July 15, 1982, in which the data and graphs are attached. In summary, these tests indicated formation parting pressures recorded at the surface of 1740 psi and 2415 psi, respectively, for the Malmar Unit Tr. 3 No. 15 and Tr. 1 No. 2. Both of these tests were witnessed by Mr. A. A. Plattsmier of the NMOCD, Hobbs Office. Therefore, it is requested that the maximum allowable injection pressure for these 2 wells be set just below each wells measured parting pressure.

1740 PSI

Case 2456

We, also, ask that the results of the step rate test ran on the Malmar Unit Tr. 3 No. 15 be applied to the recently submitted request to convert the Malmar Unit Tr. 1 No. 1 to injection. As seen on the attached map, this well is located in the same area of the unit as the Tr. 3 No. 15.

1740 PSI

If there is any question on Southland's intent or the step rate tests, please contact me or Mr. John Stark at our Midland Office.

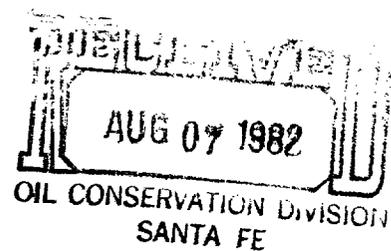
Very truly yours,



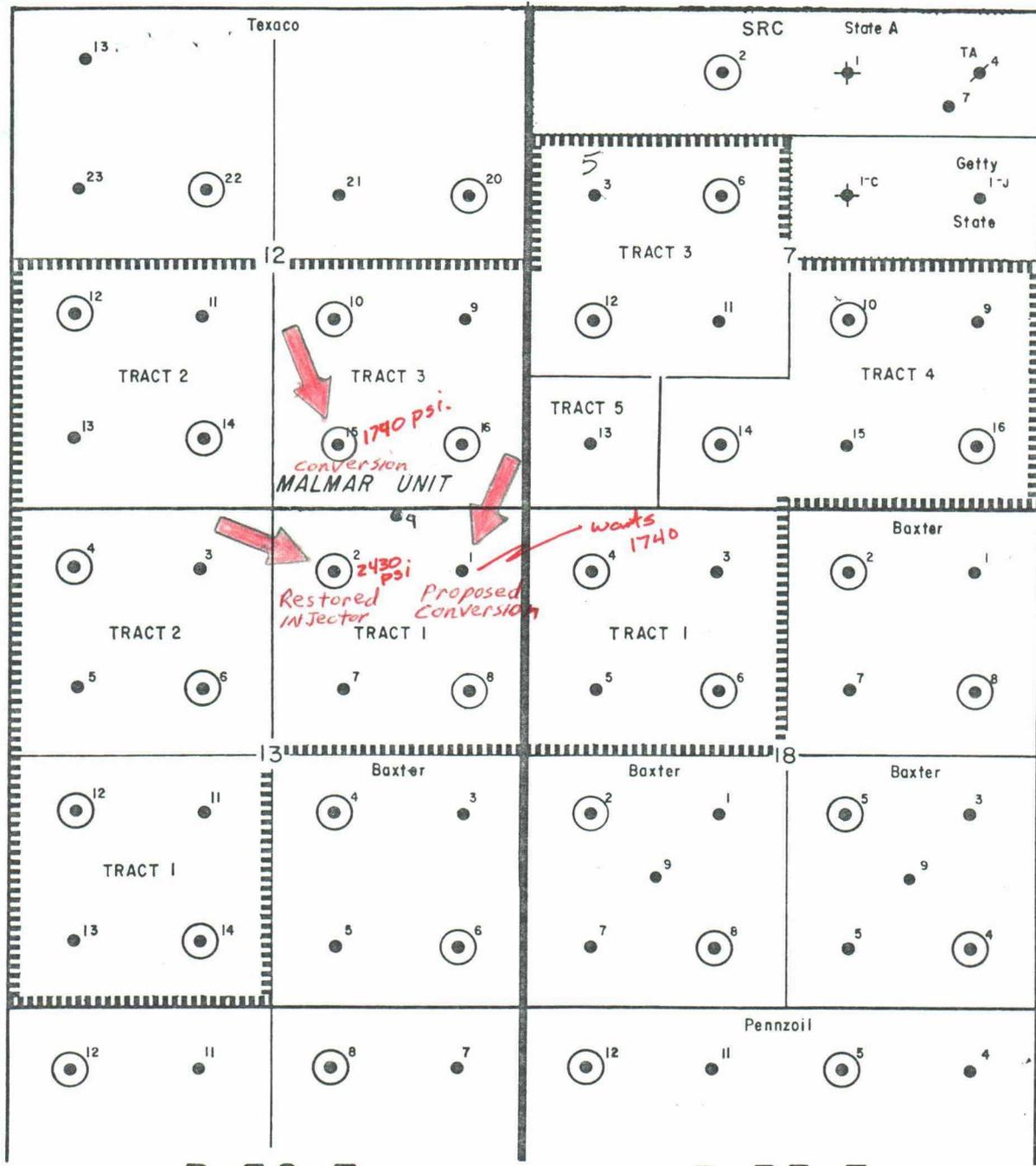
K. W. Harbin
District Production Manager

JRS/slh

Attachments



T
17
S

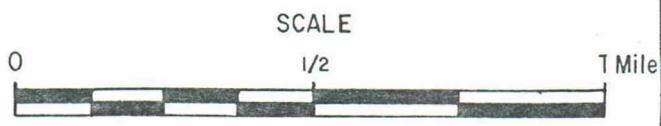


R-32-E

R-33-E

LEGEND

- WATERFLOOD BOUNDARY
- ⊙ INJECTION WELL
- PRODUCING WELL
- PROPOSED LOCATION
- ⊗ SHUT-IN WELL



NOTE:
Waterflood was unitized under Commission order no. R-2155. All wells in the unit area are producing from the Maljamar Grayburg-San Andres Pool.

NORTHEAST MALJAMAR
LEA COUNTY, NEW MEXICO

Southland Royalty Company
 Malmar Unit Tr.#3 Well No. 15
 Step-Rate Test
 Tabulation of Pressure & Time

Test Conducted By:
 D. & R. Well Testing Company

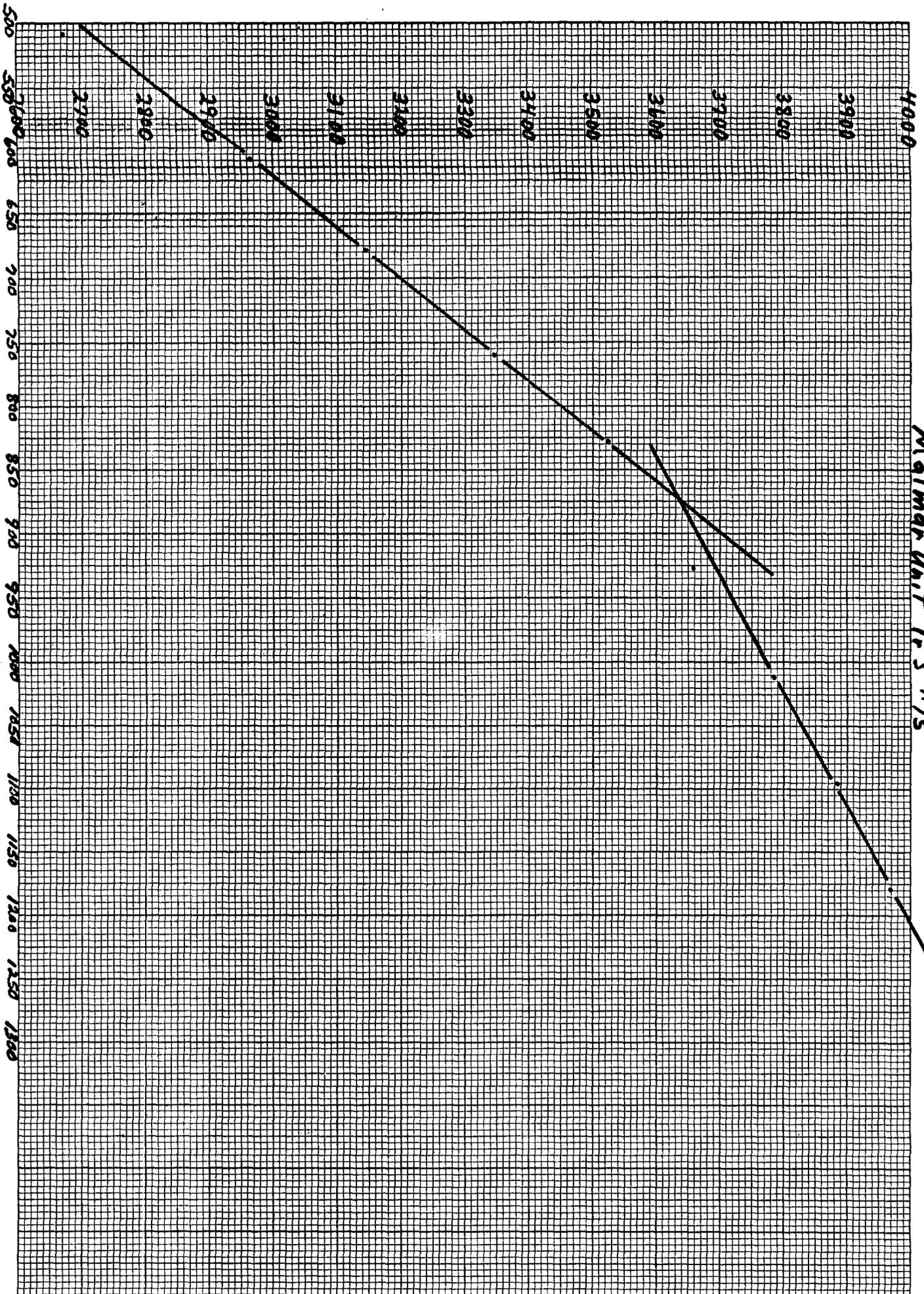
Test Date: July 15, 1982
 Test Depth: 4337 Feet
 Clock: 0-12 Hour
 Element: 0-6500 P.S.I.
 Operator: Don Tyson & Leroy Thompson

Gradient .454

<u>Cum. Hrs. & Min.</u>	<u>W.H.D.W. Pres.</u>	<u>Rate B.W.P.D.</u>	<u>P.S.I.G. Center Perfs.</u>
00 Hrs. 00 Min.	474	S.I.	2283 Guage @ 3937'
00 20	474	S.I.	2283 Start Pump
00 25	665	514	2472 Rate 1
00 30	735	512	2586
00 35	815	508	2671 End Rate 1
00 40	919	604	2788 Rate 2
00 45	999	608	2866
00 50	1077	609	2965 End Rate 2
00 55	1130	678	3016 Rate 3
01 00	1165	679	3081
01 05	1215	678	3146 End Rate 3
01 10	1318	760	3221 Rate 4
01 15	1365	759	3290
01 20	1433	760	3349 End Rate 4
01 25	1510	840	3421 Rate 5
01 30	1560	829	3476
01 35	1609	828	3522 End Rate 5
01 40	1665	909	3561 Rate 6
01 45	1723	924	3620
01 50	1760	926	3659 End Rate 6
01 55	1812	1011	3698 Rate 7
02 00	1847	1010	3747
02 05	1885	1012	3783 End Rate 7
02 10	1925	1096	3829 Rate 8
02 15	1944	1093	3862
02 20	1975	1095	3885 End Rate 8
02 25	2020	1179	3917 Rate 9
02 30	2050	1175	3947
02 35	2070	1180	3970 End Rate 9

End Test

R.S.I.G. @ 1/2 Ports.



Malmgren Unit Tc 3 #15

K&E 10 X 10 TO 1/4 INCH 7 X 10 INCHES
KEUFFEL & ESSER CO. MADE IN U.S.A.

46 1323

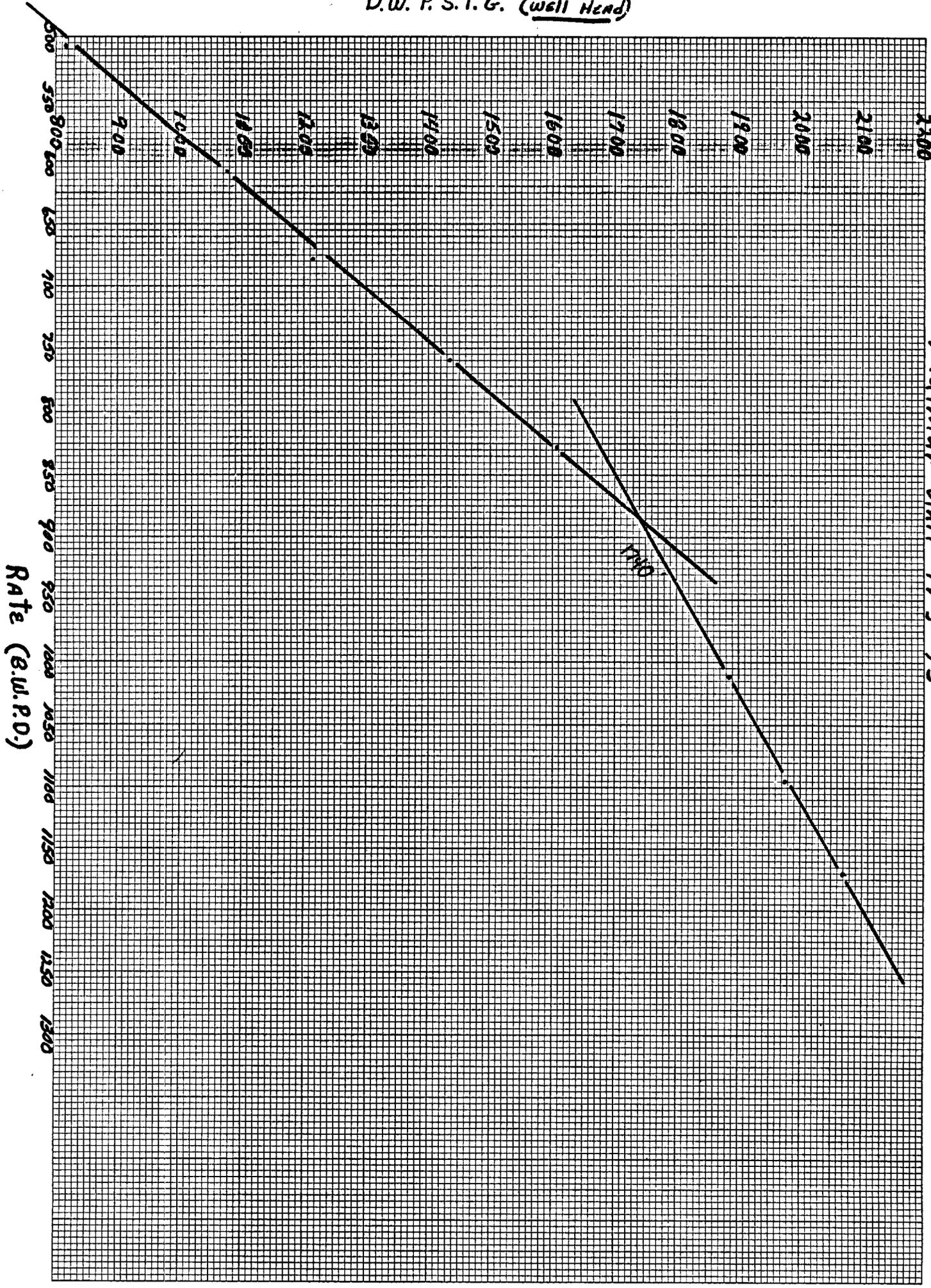
RATE (C/W.P.O.)

D.W. P. S. I. G. (Well Head)

Malmgren Unit TF 3 #15

K.M. 10 X 10 TO 1/4 INCH 7 X 10 INCHES
KEUFEL & ESSER CO. MADE IN U.S.A.

46 1322



Rate (G.W.P.O.)

Southland Royalty Company
 Malmar Unit Tr. #1 Well No. 2
 Step-Rate Test
 Tabulation of Pressure & Time

Test Conducted By:
 D. & R. Well Testing

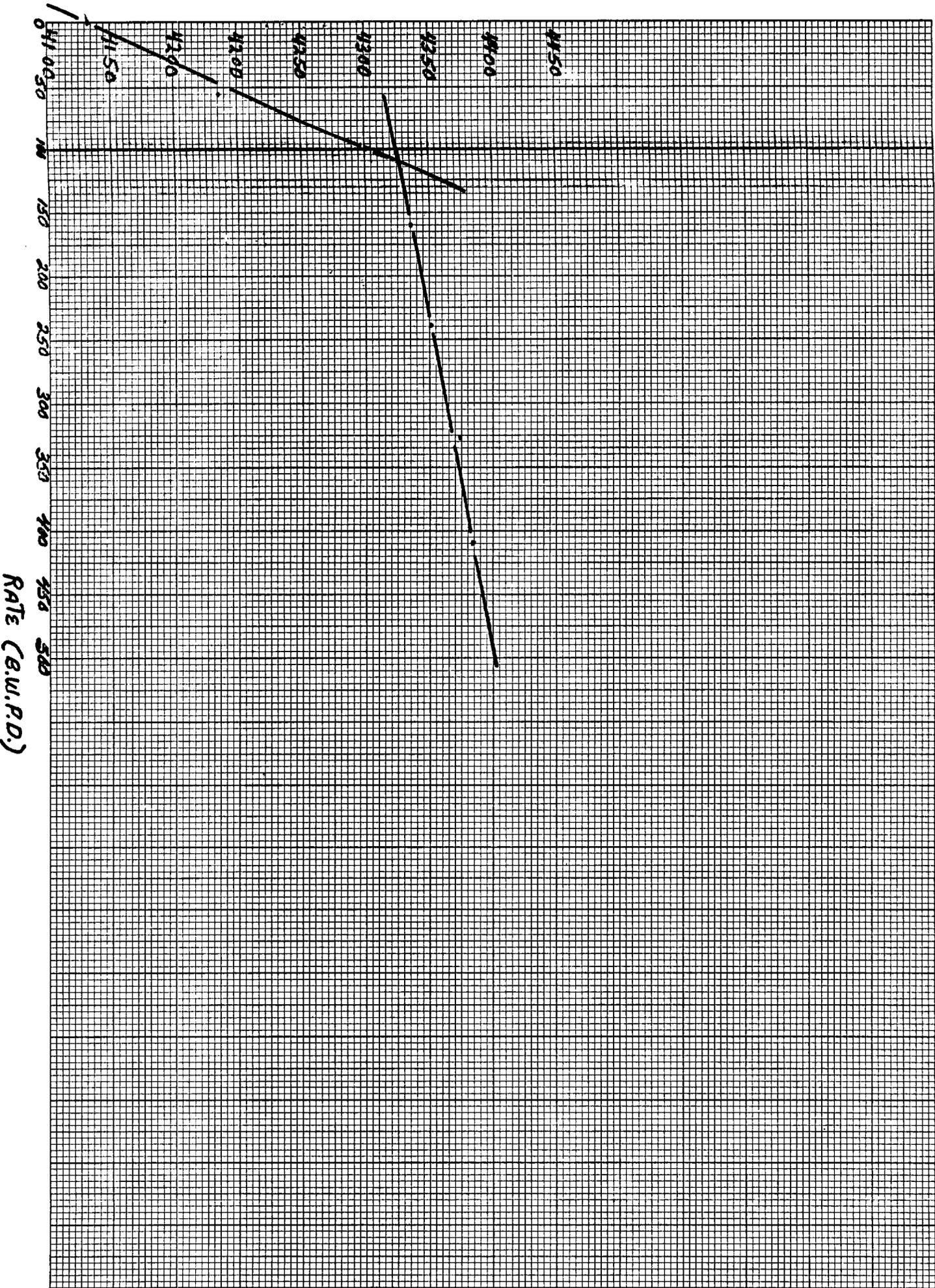
Test Date: July 15, 1982
 Test Depth: 4298 Feet
 Clock: 0-12 Hour
 Element: 0-6500 P.S.I.
 Operator: Don Tyson & Leroy Thompson

Gradient .454

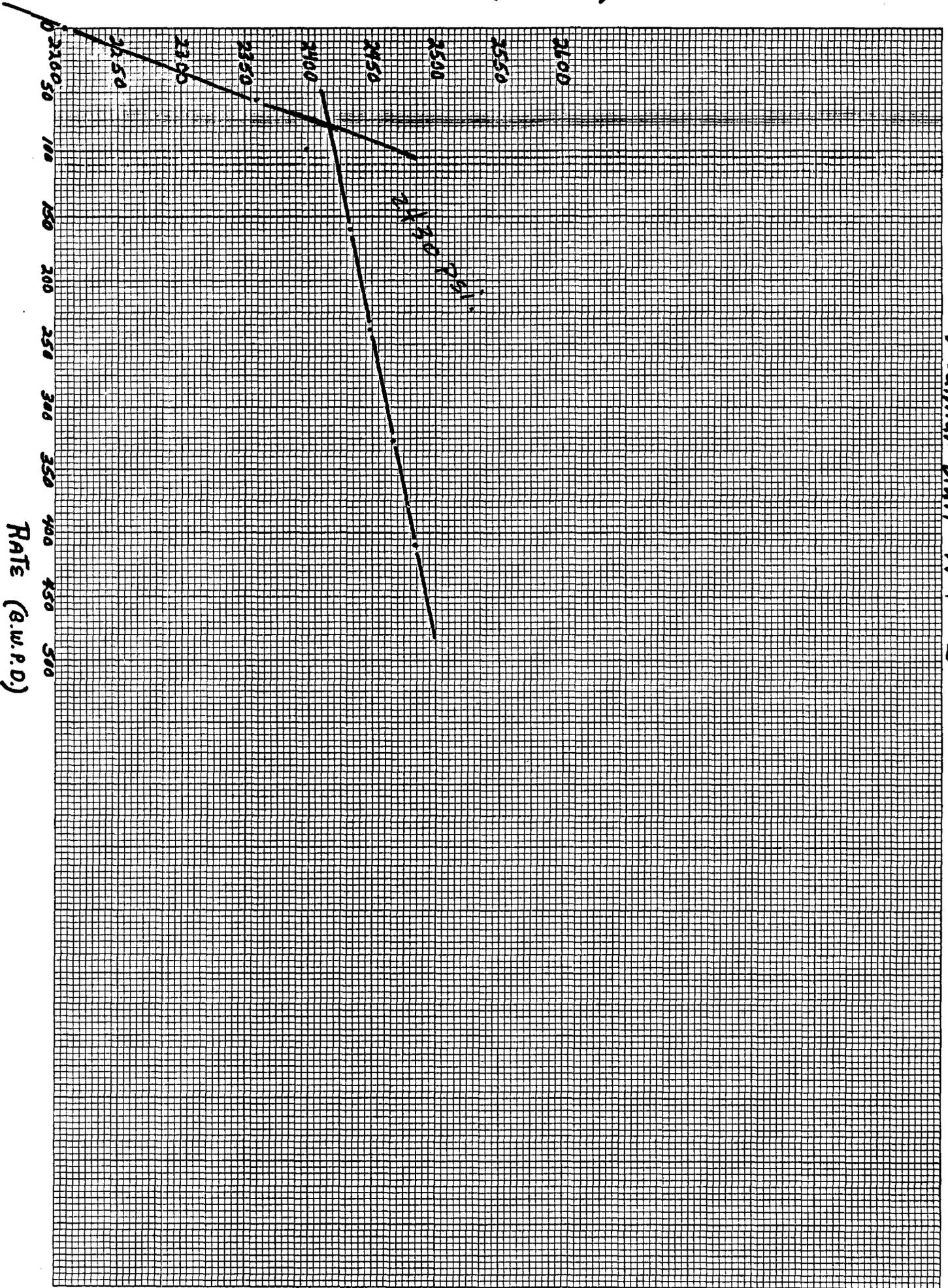
<u>Cum. Hrs. & Min.</u>	<u>W.H.D.W. Pres.</u>	<u>Rate B.W.P.D.</u>	<u>P.S.I.G. Center Perfs.</u>
00 Hrs. 00 Min.	2207	S.I.	4133 Gauge @ 3898'
00 15	2207	S.I.	4133 Start Pump
00 20	2320	78	4231 Rate 1
00 25	2339	60	4254
00 30	2360	56	4270 End Rate 1
00 35	2375	97	4280 Rate 2
00 40	2390	99	4289
00 45	2399	99	4303 End Rate 2
00 50	2413	138	4312 Rate 3
00 55	2421	119	4325
01 00	2433	160	4335 End Rate 3
01 05	2437	229	4342 Rate 4
01 10	2448	250	4348
01 15	2449	239	4351 End Rate 4
01 20	2460	320	4361 Rate 5
01 25	2462	325	4371
01 30	2467	327	4374 End Rate 5
01 35	2474	390	4381
01 40	2479	383	4381
01 45	2485	410	4384 End Rate 5
			End Test.

Molnar Unit Tr 1#2

F.O.I.O. & TERIS.



D.W. P.S.I.G. (Well Head)



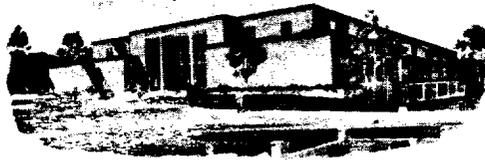
RATE (G.W.P.D.)

Malmgren Unit Tr 1 #2



PHIL R. LUCERO
COMMISSIONER

State of New Mexico



Commissioner of Public Lands
September 25, 1975

TELEPHONE
505-827-2748

P. O. BOX 1148
SANTA FE, NEW MEXICO 87501

Jennings, Christy & Copple
1012 Security National Bank Building
P. O. Box 1180
Roswell, New Mexico 88201

Re: Malmar Unit
RESIGNATION & DESIGNATION
OF UNIT OPERATOR
Lea County, New Mexico

ATTENTION: Mr. S. B. Christy IV

Gentlemen:

Your letter of September 19, 1975 has been received together with two copies of a Resignation and Designation of Unit Operator for the Malmar Unit.

The Commissioner of Public Lands has this date approved the resignation of Great Western Drilling Company, and has accepted Shenandoah Oil Corporation as the successor Unit Operator, for the Malmar Unit. The effective date of Resignation and Designation to be as of January 1, 1974.

Enclosed is one (1) approved copy of the instrument.

Very truly yours,

PHIL R. LUCERO
COMMISSIONER OF PUBLIC LANDS

BY:
RAY D. GRAHAM, Director
Oil and Gas Division

PRL/RUC/s
encl.
cc:

OCC-Santa Fe, New Mexico ✓



BRUCE KING
GOVERNOR
LARRY KEHOE
SECRETARY

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

*Case
2456*

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

November 19, 1981

Southern Union Refining Company
P. O. Box 980
Hobbs, New Mexico 88240

Attention: Mr. K. W. Harbin

Re: Malmar Unit Tract 1 Well
No. 13-2B

Dear Sir:

Pursuant to Southland Royalty Company's letter of November 4, 1981, Southland Royalty Refining Company is hereby authorized to resume water injection into its Malmar Unit Tract 1 #13-2B well through plastic-lined tubing set in a packer at approximately 4000 feet in the following described well for purposes of secondary recovery.

That the operator shall take all steps necessary to ensure that the injected water enters only the proposed injection interval and is not permitted to escape to other formations or onto the surface.

That the casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge at the surface or left open to the atmosphere to facilitate detection of leakage in the casing, tubing, or packer.

That the injection well or system shall be equipped with a pressure limiting device which will limit the wellhead pressure to a maximum of 830 pounds per square inch; provided however that the Division Director may administratively authorize a pressure limitation in excess of the above upon the operator's establishing that such higher pressure will not result in fracturing of the confining strata.

That the operator shall notify the supervisor of the Division's Hobbs District Office before injection is commenced through said well.

That the operator shall immediately notify the Supervisor of the Division's Hobbs District Office of the failure of the tubing, casing, or packer in said well or the leakage of water from or around said well and shall take such steps as may be timely or necessary to correct such

-2-

failure or leakage.

That the subject well shall be governed by all provisions of Division Order No. R-2155 and WFX No.-142 not inconsistent herewith.

Very truly yours,

JOE D. RAMEY
Direstor

JDR/OS/og



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR
LARRY KEHOE
SECRETARY

March 24, 1982

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

Southland Royalty Company
1100 Wall Towers West
Midland, Texas 79701

ATTENTION: Frey N. Rad

RE: Exceptions to Rule 705-A
for 20 Injection Wells
and Application to Inject
Malmar Unit, Tr. 1 #13-2
Well

Dear Sir:

Pursuant to Southland Royalty Company's request for exception of twenty (20) injection wells, as listed on TABLE I, from Rule 705-A, the Oil Conservation Division (OCD) hereby denies your request.

Review of your application and history thereof by the Santa Fe and Hobbs District Office concludes that you have not demonstrated good cause to be entitled to exception to Rule 705-A.

The OCD requests that Southland Royalty Company take appropriate actions as outlined in the OCD Memorandum of September 30, 1981. (See Attachment)

In response to your request for application to inject fresh water in the Malmar Unit Tr. 1 #13-2 well, the OCD granted your request as per our letter of November 19, 1981. (See attached copy)

If you have any questions regarding this matter, please do not hesitate to call or contact Oscar Simpson at (505) 827-2534.

Sincerely,

Joe D. Ramey
Division Director

JDR/OS/dp

Enc.

TABLE I

<u>NAME OF WELL</u>	<u>LETTER SENT</u>	<u>APPROVAL DATE</u>	<u>REMARKS</u>
Parke B Tr. B #1	11-5-81	None	Exception to Rule 705A
Robinson Unit Tr. 3 #31-13	11-6-81	2 None	"
Tr. 4 #31-12	11-6-81	3 None	"
Tr. 4 #31-16	11-6-81	4 None	"
State "A" #2	11-6-81	5 None	"
#6	11-6-81	6 None	"
Monterey St. #5	11-5-81	7 None	"
Monterey "B" #4	11-5-81	8 None	"
New Mexico Y St. #1	11-5-81	9 None	"
Shugart "A" #8	11-5-81	10 None	"
Shugart "B" #5	11-5-81	11 None	"
Shugart (APCO) A #2	11-5-81	12 None	"
Shugart "B" #1	11-5-81	13 None	"
Malmar Ut. Tr. 1 #13-2	11-4-81	14 None	Application to inject Fresh Water.
Malmar Ut. Tr. 1 #13-12	11-5-81	14 None	Exception to Rule 705A
#13-14	11-5-81	5 None	"
Tr. 2 #13-4	11-5-81	16 None	"
#13-6	11-5-81	17 None	"
#12-12	11-5-81	18 None	"
#12-14	11-5-81	19 None	"
Tr. 3 #12-10	11-5-81	20 None	"



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR
LARRY KEHOE
SECRETARY

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

NOTICE 705-A

M E M O R A N D U M

TO: ALL NEW MEXICO INJECTION WELL OPERATORS
FROM: JOE D. RAMEY, DIRECTOR *JDR*
SUBJECT: TEMPORARY ABANDONMENT OF INJECTION WELLS

Division Rule 705A provides in part that "no injection well may be temporarily abandoned for more than six months unless the injection interval has been isolated by use of cement or a bridge plug." The Division Director may delay the cement or bridge plug requirement upon a request by the operator and a showing that such well is mechanically sound, that there is a continuing need for the well, and that the well constitutes no threat to underground sources of drinking water.

Division survey programs have found several hundred injection wells which have not been used for at least six months and which do not have the requisite plugs. Based upon these surveys the Division will be moving to enforce Rule 705A in the near future.

Operators should review the status of their injection wells and within the next six months take one of the following actions relative to injection wells which have been shut in for six months or longer:

- (1) Return the well to active operation.
- (2) Plug and abandon the well or place a cement or bridge plug above the injection interval.
- (3) File a workover or plugging plan and schedule with the appropriate Division district office.
- (4) File a request for exception to Rule 705A with the Division Director in Santa Fe.

September 30, 1981
fd/



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR
LARRY KEHOE
SECRETARY

November 19, 1981

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87505
(505) 827-2434

Lone

Southland Royalty Company
1100 Wall Towers West
Midland, Texas 79701

Attention: Mr. K. W. Harbin

Re: Malmar Unit Tract 1 Well
No. 13-2B

Dear Sir:

Pursuant to Southland Royalty Company's letter of November 4, 1981, Southland Royalty Company is hereby authorized to resume water injection into its Malmar Unit Tract 1 #13-2B well through plastic-lined tubing set in a packer at approximately 4000 feet in the following described well for purposes of secondary recovery.

That the operator shall take all steps necessary to ensure that the injected water enters only the proposed injection interval and is not permitted to escape to other formations or onto the surface.

That the casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge at the surface or left open to the atmosphere to facilitate detection of leakage in the casing, tubing, or packer.

That the injection well or system shall be equipped with a pressure limiting device which will limit the wellhead pressure to a maximum of 830 pounds per square inch; provided however that the Division Director may administratively authorize a pressure limitation in excess of the above upon the operator's establishing that such higher pressure will not result in fracturing of the confining strata.

That the operator shall notify the supervisor of the Division's Hobbs District Office before injection is commenced through said well.

That the operator shall immediately notify the Supervisor of the Division's Hobbs District Office of the failure of the tubing, casing, or packer in said well or the leakage of water from or around said well and shall take such steps as may be timely or necessary to correct such

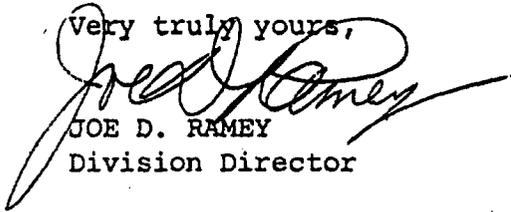
Lone

-2-

failure or leakage.

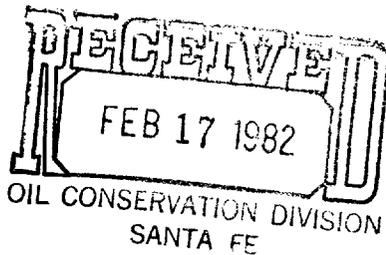
That the subject well shall be governed by all provisions of
Division Order No. R-2155 and WFX No. 142 not inconsistent herewith.

Very truly yours,



JOE D. RAMEY
Division Director

JDR/OS/og



Southland Royalty Company

February 11, 1982

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

Attention: Mr. Joe Ramey
Director

RE: Exceptions to Rule 705A
and Application to Inject
Fresh Water

Gentlemen:

Attached please find a table listing twenty (20) Exception to Rule 705A packages. These packages were sent to the NMOCC between November 5, 1981 and November 6, 1981. We have received no response to these and would appreciate assistance in finding out the status of each.

On November 4, 1981, we sent in an Application to Inject Fresh Water on the Malmar Unit Tr. 1 #13-2 well and have received no response to this package either. Any assistance you could give us would be greatly appreciated. } ?

Yours very truly,

Frey N. Rad
District Operations Engineer

CN:sf

Attachment

<u>NAME OF WELL</u>	<u>LETTER SENT</u>	<u>APPROVAL DATE</u>	<u>REMARKS</u>
Parke B Tr. B #1	11-5-81	None	Exception to Rule 705A
Robinson Unit Tr. 3 #31-13	11-6-81	2 None	"
Tr. 4 #31-12	11-6-81	3 None	"
Tr. 4 #31-16	11-6-81	4 None	"
State "A" #2	11-6-81	5 None	"
#6	11-6-81	6 None	"
Monterey St. #5	11-5-81	7 None	"
Monterey "B" #4	11-5-81	8 None	"
New Mexico Y St. #1	11-5-81	9 None	"
Shugart "A" #8	11-5-81	10 None	"
Shugart "B" #5	11-5-81	11 None	"
Shugart (APCO) A #2	11-5-81	12 None	"
Shugart "B" #1	11-5-81	13 None	"
Malmar Ut. Tr. 1 #13-2	11-4-81	14 None	Application to inject Fresh Water.
Malmar Ut. Tr. 1 #13-12	11-5-81	14 None	Exception to Rule 705A
#13-14	11-5-81	5 None	"
Tr. 2 #13-4	11-5-81	16 None	"
#13-6	11-5-81	17 None	"
#12-12	11-5-81	18 None	"
#12-14	11-5-81	19 None	"
Tr. 3 #12-10	11-5-81	20 None	"



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR
LARRY KEHOE
SECRETARY

February 25, 1982

P.O. BOX 1980
HOBBS, NEW MEXICO 88240
(505) 393-6161

MEMO TO: Oscar Simpson
FROM: Jerry Sexton *J.S.*
SUBJECT: Southland Royalty TA'd Injection wells in MalMar Waterflood
and their Request for a New Injection Well in this Project

We recommend that permission not be granted for Southland Royalty to convert another well in their MalMar Unit to injection until they have put this flood in shape by setting CIBP above the injection intervals in the temporarily abandoned injection wells.

At the present time there are 4 TA'd injection wells in the section the proposed new injector is in.



Note: where are the original files I sent to Hobbs office



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
 OIL CONSERVATION DIVISION

February 8, 1982

P.O. BOX 1980
 HOBBS, NEW MEXICO 88240
 (505) 393-6161

BRUCE KING
 GOVERNOR

LARRY KEHOE
 SECRETARY

Southland Royalty Company
 1100 Wall Towers West
 Midland, TX 79701

Gentlemen:

The Oil Conservation Division witnessed bradenhead tests on all your wells in the Maljamar Area in December 1981.

Your Malmar Unit Tr. 2 Well #6-F in 13-17-32 has a wellhead leak that needs to be repaired. This should be completed by April 1, 1982.

Also, we are enclosing a copy of a Memorandum from Joe D. Ramey, dated September 30, 1981, concerning temporary abandonment of injection wells. According to the information we have you have 11 TA'd injection wells in the Maljamar Area. We trust that you are making plans to take one of the four courses of action outlined in the memo.

Very truly yours,

OIL CONSERVATION DIVISION

Jerry Sexton
 Supervisor, District I

ed

cc: File
 R.L. Stamets

Oscar - This is a copy of our letter to Son Roy.

RECEIVED
 MAR 01 1982

CONSERVATION DIVISION
 SANTA FE

Encl



Southland Royalty Company

February 16, 1982

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

Attention: Mr. Joe Ramey,
Director

RE: Exceptions to Rule 705A

Gentlemen:

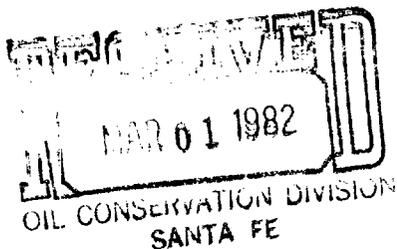
In reference to your letter dated 2-8-82, this is to advise that in late 1981 Southland filed proper regulatory forms requesting Exception to Rule 705A on numerous inactive injectors, a list of which is shown on the attached table. This list shows the eleven (11) TA'd injection wells referenced in your letter. By a letter dated February 11, 1982, we inquired to NMOCC as to the status of those applications (Copy attached).

Yours very truly,

Frey N. Rad
District Operations Engineer

Attachments

C. Nokes/





Southland Royalty Company

February 11, 1982

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

Attention: Mr. Joe Ramey
Director

RE: Exceptions to Rule 705A
and Application to Inject
Fresh Water

Gentlemen:

Attached please find a table listing twenty (20) Exception to Rule 705A packages. These packages were sent to the NMOCC between November 5, 1981 and November 6, 1981. We have received no response to these and would appreciate assistance in finding out the status of each.

On November 4, 1981, we sent in an Application to Inject Fresh Water on the Malmar Unit Tr. 1 #13-2 well and have received no response to this package either. Any assistance you could give us would be greatly appreciated.

Yours very truly,

Frey N. Rad
District Operations Engineer

CN:sf

Attachment

INACTIVE INJECTION WELLS SOUTHLAND
HAS APPLIED TO NMOCC FOR EXCEPTION TO RULE 705A

SOUTHLAND ROYALTY COMPANY
1100 WALL TOWERS WEST
MIDLAND, TEXAS 79701

<u>NAME OF WELL</u>	<u>COUNTY</u>	<u>POOL</u>	<u>CURRENT STATUS</u>	<u>DATE REQUEST MADE TO NMOCC</u>
Parke B Tr. B #1	Eddy	Grayburg-Jackson (SR-Q-G-SA)	SI	11-5-81
Robinson Ut. Tr. 3 #31-13	Lea	Maljamar (Grayburg-San Andres)	TA	11-6-81
Tr. 4 #31-12	Lea	Maljamar (Grayburg-San Andres)	TA	11-6-81
Tr. 4 #31-16	Lea	Maljamar (Grayburg-San Andres)	TA	11-6-81
State "A" #2	Lea	Maljamar (Grayburg-San Andres)	TA	11-6-81
State "A" #6	Lea	Maljamar (Grayburg-San Andres)	SI	11-6-81
Monterey St. #5	Eddy	Shugart (Y-SR-Q-GB)	TA	11-5-81
Monterey "B" #4	Eddy	Shugart (Y-SR-Q-GB)	TA	11-5-81
New Mexico Y St. #1	Eddy	Shugart (Y-SR-Q-GB)	TA	11-5-81
Shugart "A" #8	Eddy	Shugart (Y-SR-Q-GB)	TA	11-5-81
Shugart "E" #5	Eddy	Shugart (Y-SR-Q-GB)	TA	11-5-81
Shugart (APCO) A #2	Eddy	Shugart (Y-SR-Q-GB)	TA	11-5-81
Shugart "E" #1	Eddy	Shugart (Y-SR-Q-GB)	TA	11-5-81
Malmar Ut. Tr. 1 #13-12	Lea	Maljamar (Grayburg-San Andres)	TA	11-5-81
Malmar Ut. Tr. 1 #13-14	Lea	Maljamar (Grayburg-San Andres)	TA	11-5-81
Malmar Ut. Tr. 2 #13-4	Lea	Maljamar (Grayburg-San Andres)	TA	11-5-81
Malmar Ut. Tr. 2 #13-6	Lea	Maljamar (Grayburg-San Andres)	TA	11-5-81
Malmar Ut. Tr. 2 #12-12	Lea	Maljamar (Grayburg-San Andres)	TA	11-5-81
Malmar Ut. Tr. 2 #12-14	Lea	Maljamar (Grayburg-San Andres)	TA	11-5-81
Malmar Ut. Tr. 3 #12-10	Lea	Maljamar (Grayburg-San Andres)	TA	11-5-81

Prepared By: C. Nokes 2-16-82
Engineering Assistant
Midland District

2456

MALMAR UNIT
Lea County, New Mexico

FLOOD NO. 750-50

PROGRESS REPORT NO. 3

June, 1962

PM 1:19

Production for June was 8,375 barrels of oil for an average of 279 barrels per day. Gas Sales were 42,803 MCF. Produced water was 300 barrels. Oil Sales were 9,050 barrels. Several electrical storms damaged power facilities during the month, causing down time of pumping units. A storm June 4th resulted in a twelve (12) hour loss to thirteen (13) wells. On June 8th, four (4) wells were off twelve (12) hours. On June 12th seven (7) wells lost seven (7) hours, June 13th, the same seven (7) lost eight and a half (8-1/2) hours. On June 15th, two (2) wells lost four (4) hours and on June 26th eight (8) wells lost six (6) hours.

Well No. 12-14 was acidized with 1,000 gal. on June 8th. Several tests failed to indicate an increase in production. There was no other remedial work.

The injection plant work is now waiting on pumps and motors. The building will be erected over this equipment after installation. The water supply tanks have been plastic coated and supply lines have been installed by the water supply company. The filters have been set, connected and the building erected. The warehouse building has been erected, the injection lines welded and coated to the five (5) injection wells as planned. These lines will be tested early in July. The gas supply lines are 50% completed.

MONTHLY AND CUMULATIVE PRODUCTION

<u>Well No.</u>	<u>Avg. Daily Prod. Oil</u>	<u>Avg. Daily Prod. Water</u>	<u>Monthly Oil</u>	<u>Monthly Water</u>	<u>Cumulative Oil</u>	<u>Cumulative Water</u>
7-5	6		185		764	
7-6	14		420		983	
7-9	5		150		516	
7-10	6		180		546	
7-11	6		180		728	
7-12	8	8	240	240	758	758
7-13	5		153		473	
7-14	7		210		576	
7-15	6		180		576	
7-16	6		173		600	
12-9	6		185		733	
12-10	9		270		818	
12-11	5		150		577	
12-12	5		161		649	
12-13	5		160		587	
12-14	6		190		625	
12-15	9		275		823	
12-16	12		361		909	
13-1	14		440		1,325	
13-2	10	1	315	30	1,718	152
13-3	6		180		607	
13-4	7		210		698	

MALMAR UNIT
Lea County, New Mexico

FLOOD NO. 750-50

PROGRESS REPORT NO. 3
Page 2

MONTHLY AND CUMULATIVE PRODUCTION (Cont'd.)

<u>Well No.</u>	<u>Avg. Daily Prod. Oil</u>	<u>Avg. Daily Prod. Water</u>	<u>Monthly Oil</u>	<u>Monthly Water</u>	<u>Cumulative Oil</u>	<u>Cumulative Water</u>
13-5	12		370		858	
13-6	11		330		818	
13-7	8		250		708	
13-8	6		180		455	
13-11	5	1	155	30	826	91
13-12	7		210		546	
13-13	8		240		667	
13-14	6		185		795	
18-3	6		185		856	
18-4	17		520		1,130	
18-5	17		510		937	
18-6	9		<u>272</u>		<u>420</u>	
		Totals	<u>8,375</u>	<u>300</u>	<u>25,605</u>	<u>1,001</u>

Stock 6-1-62 2,861
Unit Production 8,375
Unit Sales 9,050
Stock 7-1-62 2,186

WELL STATUS

34 Producing Wells

UNIT EMPLOYEE

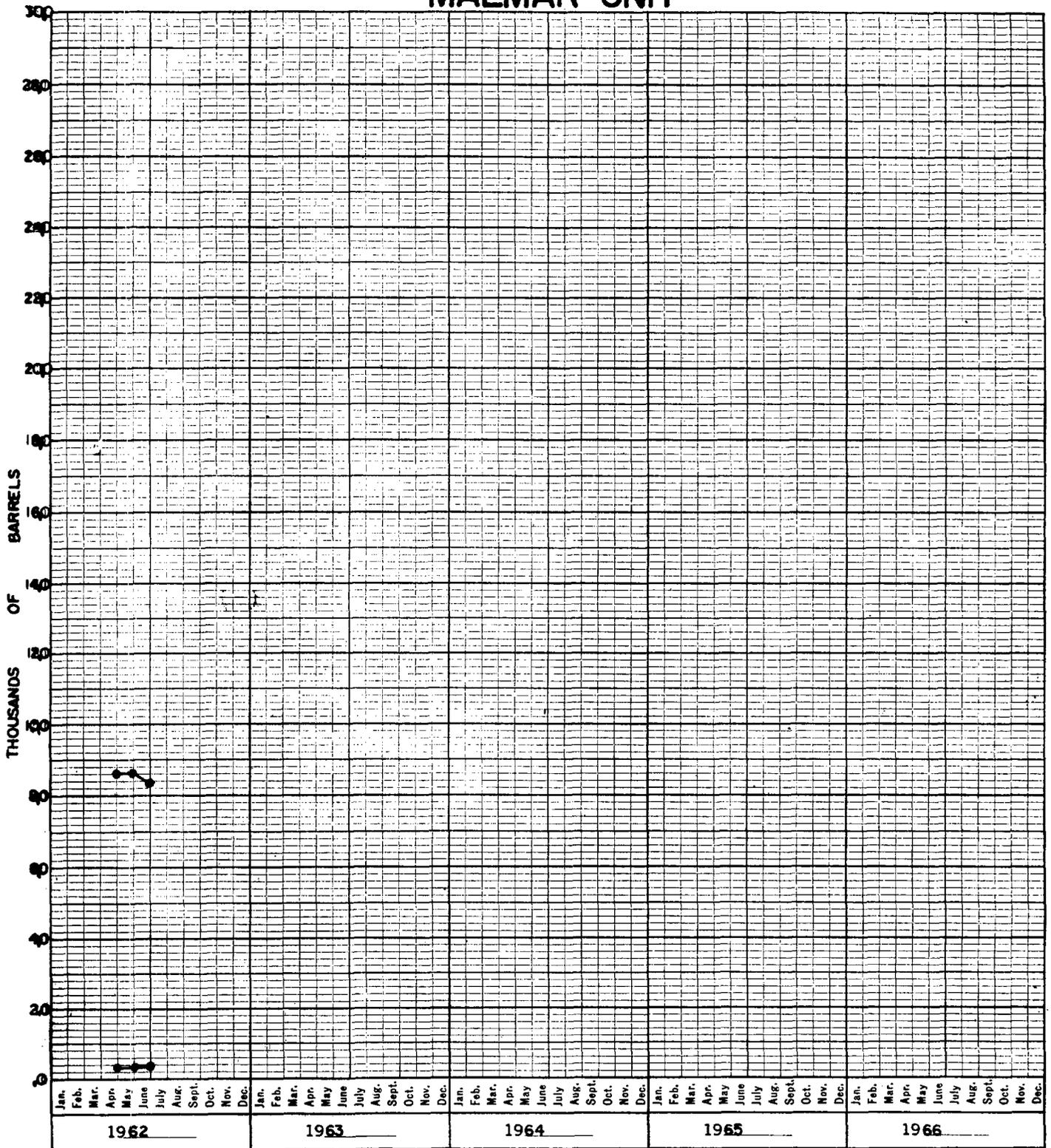
1 Pumper

GREAT WESTERN DRILLING COMPANY

By O. H. Crews
O. H. Crews

OHC:tr
7-13-62

MALMAR UNIT



- OIL PRODUCTION
- × WATER INJECTION
- PRODUCED WATER

GREAT WESTERN DRILLING CO.
MIDLAND, TEXAS

June 25, 1962

Re: Malmar Unit
Lea County, New Mexico

Commissioner of Public Lands
State of New Mexico
P.O. Box 791
Santa Fe, New Mexico

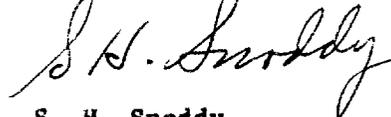
Attention: Mrs. Marian M. Rhea

Gentlemen:

Enclosed herewith are Ratifications to the Malmar Unit
executed by Paul A. Mavis.

Yours very truly,

GREAT WESTERN DRILLING COMPANY



S. H. Snoddy
Land Manager

SHS:mc
Encl.

cc/encl. New Mexico Oil Conservation Commission
P.O. Box 871
Santa Fe, New Mexico

cc/encl. Mr. S. B. Christy, IV
Hervey, Dow & Hinkle
P.O. Box 10
Roswell, New Mexico

CONSENT TO AND RATIFICATION OF
UNIT AGREEMENT
AND
UNIT OPERATING AGREEMENT
FOR THE DEVELOPMENT AND OPERATION OF THE
MALMAR UNIT
LEA COUNTY, NEW MEXICO

The undersigned Working Interest Owner in the said Unit Agreement and Unit Operating Agreement, which embraces certain lands in Township 17 South, Ranges 32 and 33 East, N.M.P.M., for valuable consideration paid, ratifies, confirms and joins in the execution of said Unit Agreement and said Unit Operating Agreement (each of which is incorporated herein by a reference) to the same extent and effect as if the undersigned had executed the original of said Unit Agreement and said Unit Operating Agreement, or respective counterparts thereof. The undersigned does further commit all of the undersigned's right, title and interest in and to the Unitized Substances to the terms, provisions and agreements in said Unit Agreement and said Unit Operating Agreement.

The undersigned acknowledges the receipt of a copy of said Unit Agreement and said Unit Operating Agreement, and further acknowledges that this instrument has been signed and unconditionally delivered at the date shown hereon.

WORKING INTEREST OWNER



ATTEST:

7101 E. Slauson Avenue

Address: Los Angeles 22, California

Date: June 21, 1962

(Individual)

STATE OF California

COUNTY OF Los Angeles

The foregoing instrument was acknowledged before me this 21st day of ~~December, 1961~~, by Paul A. Mavis, ~~individual and wife~~
June, 1962

My Commission Expires Jan. 28, 1966

(Corporate)


L. R. ADKINS, Notary ~~Public~~ **Notary Public**
State of California - Principal Office, Los Angeles County
My Commission Expires Jan. 28, 1966
7101 East Slauson Ave., Los Angeles 22, Calif.

STATE OF _____

COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of December, 1961, by _____ of _____, a _____ corporation on behalf of said corporation.

My Commission Expires _____

Notary Public

GREAT WESTERN DRILLING CO.
MIDLAND, TEXAS

APR 11 1962
MIDWESTERN TIME 15

2426

April 9, 1962

Re: Malmar Unit
Lea County, New Mexico

Commissioner of Public Lands
State of New Mexico
P.O. Box 791
Santa Fe, New Mexico

Attention: Mrs. Marian M. Rhea

Gentlemen:

We are enclosing Ratifications executed by Brady Corporation, Katie Corporation, and Ruby Oil Company, together with revised Exhibits "B" and "C".

Yours very truly,

GREAT WESTERN DRILLING COMPANY



S. H. Snoddy
Land Manager

SHS:mc
Encl.

✓ cc/encl. New Mexico Oil Conservation Commission
P.O. Box 871
Santa Fe, New Mexico

cc/encl. Mr. S. B. Christy, IV
Harvey, Dow & Hinkle
P.O. Box 10
Roswell, New Mexico

EFFECTIVE April 1, 1962

EXHIBIT "C"

MALMAR UNIT

UNIT PARTICIPATION

<u>WORKING INTEREST OWNERS</u>	<u>TOTAL UNIT PARTICIPATION</u>
F.C. and C.H. Bishop	3.5730538
Brady Corporation	.0796392
Durham Drilling Company	2.4983254
Granger Bros.	.1918097
Carl A. Gray	.4684360
Great Western Drilling Company	58.0977971
Donald M. Hine	.5310980
J. Edgar Hoover	1.4163961
Estate of John W. House	2.9963116
Katie Corporation	.0796392
Dr. E.W. King	.3068954
Edward W. LeBaron, Jr.	1.0761572
Maljamar, Inc.	1.9180965
Paul A. Mavis	.6371136
Leo McCarey	2.1223532
Len G. McCormick	.6371136
Thos. Meloy	2.5176946
Robert W. Paulin	1.0903197
Ruby Oil Company	1.4320431
Santana Petroleum Company	.0167954
Santiago Oil & Gas Company	13.4142206
S.D. Steed	.4795241
Mrs. C.J. Tippett	1.0621960
Clyde Tolson	1.4163961
Bernard Van Ingen	.2120023
Patricia Van Ingen	.1352785
Waddell Ranch Company	1.0621960
James E. West, Jr.	<u>.5310980</u>

Total

100.0000000

EXHIBIT "B"

MALMAR UNIT

EFFECTIVE April 1, 1962

WELL INFORMATION

<u>TRACT NO.</u>	<u>DESCRIPTION</u>	<u>NUMBER OF ACRES</u>	<u>LEASE AND/OR ASSIGNMENT NO.</u>	<u>BASIC ROYALTY</u>	<u>LESSEE OF RECORD</u>	<u>OVERRIDING ROYALTY OWNER AND AMOUNT</u>	<u>WORKING INTEREST OWNER AND AMOUNT</u>	<u>PER CENT PARTICIPATION OF TRACT IN UNIT</u>
1	Lots 1, 2, E $\frac{1}{2}$ NW $\frac{1}{4}$ Sec. 18, T-17-S, R-33-E; NE $\frac{1}{4}$, SW $\frac{1}{4}$ Sec. 13, T-17-S, R-32-E	483.54	B-2148 B-2229	12.5%	Phillips Pet.	Phillips Pet. - .05468750 Ruby Oil Co. - .02734375 Westex Charitable Corporation - .23789062 O/P First National Bank of Chicago - .3568359 O/P	Great Western - 100%	44.8384127
2	SW $\frac{1}{4}$ Sec. 12 and NW $\frac{1}{4}$ Sec. 13, T-17-S, R-32-E	320	B-2229	12.5%	Phillips Pet.	Phillips Pet. - .05468750 Ruby Oil Co. - .02734375 * Mid-Cont. Supply - .03616703 O/P * Great Western - .05425058 O/P	Granger Bros. - .9375000 Dr. E.W. King - 1.5000000 Edward W. LeBaron, Jr. - 4.6875000 J. Edgar Hoover - 2.3437500 Maljamar, Inc. - 9.3750000 Thos. Meloy - 9.3750000 S.D. Steed - 2.3437500 Clyde Tolson - 2.3437500 Bernard VanIngen - .7500000 Patricia VanIngen - .3750000 Santiago -40.2187500 Robert W. Paulin - .7500000 Great Western -25.0000000	20.4596958

* O/P applies only to Santiago's interest.

Exhibit "B"
 Malmar Unit - Well Information
 Page #2
 Effective April 1, 1962

TRACT NO.	DESCRIPTION	NUMBER OF ACRES	LEASE AND/OR ASSIGNMENT NO.	BASIC ROYALTY	LESSEE OF RECORD	OVERRIDING ROYALTY OWNER AND AMOUNT	WORKING INTEREST OWNER AND AMOUNT	PER CENT PARTICIPATION OF TRACT IN UNIT
3	Lots 2,3, SE $\frac{1}{4}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$ Sec.7, T-17-S, R-33-E; SE $\frac{1}{4}$ Sec.12, T-17-S, R-32-E	322.96	B-2229	12.5%	Phillips Pet.	Phillips Pet. - .0546875 * Mid-Cont. Supply- .03076170 O/P * Great Western - .04614255 O/P	F. C. & C.H. Bishop- 9.3750000 Durham Drlg. -12.5000000 Carl A. Gray - 2.3437500 Est. John W. House - 3.30333530 J. Edgar Hoover - 4.6875000 Edward W. LeBaron, Jr. - .5859375 Robert W. Paulin - 4.6875000 Thos. Meloy - 3.0000000 Ruby Oil Co. - 7.16501475 Clyde Tolson - 4.68750000 Santana Pet. Co. - .0840330 Santiago -25.9453125 Bernard VanIngen - .29296875 Patricia VanIngen- .29296875 Great Western -21.04916175	19.9866035
4	SE $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$ Sec.7, T-17-S, R-33-E	200	B-2229	12.5%	Phillips Pet.	Phillips Pet. - .0546875	Leo McCarey -15.6150000 Est. John W. House -17.1875000	13.5917589

* O/P applies only to Santiago's interest.

(continued)

Exhibit "B"
 Malmar Unit - Well Information
 Page #3
 Effective April 1, 1962

<u>TRACT NO.</u>	<u>DESCRIPTION</u>	<u>NUMBER OF ACRES</u>	<u>LEASE AND/OR ASSIGNMENT NO.</u>	<u>BASIC ROYALTY</u>	<u>LESSEE OF RECORD</u>	<u>OVERRIDING ROYALTY OWNER AND AMOUNT</u>	<u>WORKING INTEREST OWNER AND AMOUNT</u>	<u>PER CENT PARTICIPATION OF TRACT IN UNIT</u>
							F. C. & C.H. Bishop-12.5025000	
							Donald M. Hine - 3.9075000	
							James E. West, Jr. - 3.9075000	
							Mrs. C.J. Tippet - 7.8150000	
							Waddell Ranch Co. - 7.8150000	
							Len G. McCormick - 4.6875000	
							Paul A. Mavis - 4.6875000	
							Katie Corp. - .5859375	
							Brady Corp. - .5859375	
							Great Western -20.7031250	
							Great Western - 100%	1.1235291

Lot 4 Sec. 7,
 T-17-S, R-33-E

41.63 B-2516-18 12.5% Great Western None

CONSENT TO AND RATIFICATION OF
UNIT AGREEMENT
AND
UNIT OPERATING AGREEMENT
FOR THE DEVELOPMENT AND OPERATION OF THE
MALMAR UNIT
LEA COUNTY, NEW MEXICO

The undersigned Working Interest Owner in the said Unit Agreement and Unit Operating Agreement, which embraces certain lands in Township 17 South, Ranges 32 and 33 East, N.M.P.M., for valuable consideration paid, ratifies, confirms and joins in the execution of said Unit Agreement and said Unit Operating Agreement (each of which is incorporated herein by a reference) to the same extent and effect as if the undersigned had executed the original of said Unit Agreement and said Unit Operating Agreement, or respective counterparts thereof. The undersigned does further commit all of the undersigned's right, title and interest in and to the Unitized Substances to the terms, provisions and agreements in said Unit Agreement and said Unit Operating Agreement.

The undersigned acknowledges the receipt of a copy of said Unit Agreement and said Unit Operating Agreement, and further acknowledges that this instrument has been signed and unconditionally delivered at the date shown hereon.

WORKING INTEREST OWNER

ATTEST:

KATIE CORPORATION

James J. Feltham
Secretary

By: *F. G. Breckenridge*
President

Address: _____

Date: March 30, 1962

(Individual)

STATE OF _____

COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of December, 1961, by _____, husband and wife.

My Commission Expires _____

Notary Public

(Corporate)

STATE OF TEXAS

COUNTY OF MIDLAND

The foregoing instrument was acknowledged before me this 30 day of March, 1962, by F. G. Breckenridge, President of KATIE CORPORATION, a Texas corporation on behalf of said corporation.

My Commission Expires 6-1-63

Sam H. Sudddy
Notary Public

CONSENT TO AND RATIFICATION OF
UNIT AGREEMENT
AND
UNIT OPERATING AGREEMENT
FOR THE DEVELOPMENT AND OPERATION OF THE
MALMAR UNIT
LEA COUNTY, NEW MEXICO

The undersigned Working Interest Owner in the said Unit Agreement and Unit Operating Agreement, which embraces certain lands in Township 17 South, Ranges 32 and 33 East, N.M.P.M., for valuable consideration paid, ratifies, confirms and joins in the execution of said Unit Agreement and said Unit Operating Agreement (each of which is incorporated herein by a reference) to the same extent and effect as if the undersigned had executed the original of said Unit Agreement and said Unit Operating Agreement, or respective counterparts thereof. The undersigned does further commit all of the undersigned's right, title and interest in and to the Unitized Substances to the terms, provisions and agreements in said Unit Agreement and said Unit Operating Agreement.

The undersigned acknowledges the receipt of a copy of said Unit Agreement and said Unit Operating Agreement, and further acknowledges that this instrument has been signed and unconditionally delivered at the date shown hereon.

WORKING INTEREST OWNER

ATTEST:

James Beckelham
Secretary

BRADY CORPORATION

By: *F. G. Breckenridge*
President

Address: _____

Date: March 30, 1962

(Individual)

STATE OF _____

COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of December, 1961, by _____, husband and wife.

My Commission Expires _____ Notary Public

(Corporate)

STATE OF TEXAS

COUNTY OF MIDLAND

March The foregoing instrument was acknowledged before me this 20 day of December, 1961, by F. G. Breckenridge, President of BRADY CORPORATION, a Delaware corporation on behalf of said corporation.

My Commission Expires 6-1-63

Sam H. Swoody
Notary Public

CONSENT TO AND RATIFICATION OF
UNIT AGREEMENT
AND
UNIT OPERATING AGREEMENT
FOR THE DEVELOPMENT AND OPERATION OF THE
MALMAR UNIT
LEA COUNTY, NEW MEXICO

The undersigned Working Interest Owner in the said Unit Agreement and Unit Operating Agreement, which embraces certain lands in Township 17 South, Ranges 32 and 33 East, N.M.P.M., for valuable consideration paid, ratifies, confirms and joins in the execution of said Unit Agreement and said Unit Operating Agreement (each of which is incorporated herein by a reference) to the same extent and effect as if the undersigned had executed the original of said Unit Agreement and said Unit Operating Agreement, or respective counterparts thereof. The undersigned does further commit all of the undersigned's right, title and interest in and to the Unitized Substances to the terms, provisions and agreements in said Unit Agreement and said Unit Operating Agreement.

The undersigned acknowledges the receipt of a copy of said Unit Agreement and said Unit Operating Agreement, and further acknowledges that this instrument has been signed and unconditionally delivered at the date shown hereon.

WORKING INTEREST OWNER

ATTEST:

RUBY OIL COMPANY

Secretary

By: F. G. Brockenridge
President

Address: _____

Date: March 30, 1962

(Individual)

STATE OF TEXAS

COUNTY OF MIDLAND

The foregoing instrument was acknowledged before me this 30th day of March, ~~December~~, 1962, by F. G. Brockenridge, dba Ruby Oil Company, husband and wife.

My Commission Expires 6-1-63

Sam H. Sudds
Notary Public

(Corporate)

STATE OF _____

COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of December, 1961, by _____ of RUBY OIL COMPANY, a _____ corporation on behalf of said corporation.

My Commission Expires _____

Notary Public

OFFICE OF THE
COMMISSIONER OF PUBLIC LANDS
MARCH 15 1962

GREAT WESTERN DRILLING CO.
MIDLAND, TEXAS

406

April 6, 1962

Re: **Malmar Unit**
Lea County, New Mexico

Commissioner of Public Lands
State of New Mexico
P.O. Box 791
Santa Fe, New Mexico

Attention: Mrs. Marian M. Rhea

Gentlemen:

Per your request of April 3, we are enclosing Ratification by Great Western Drilling Company to formally commit Tract 5 under State Lease B-2516-18.

Also enclosed is Certificate stating that the Agreement has been filed for record.

The Malmar Unit Agreement became effective as of 7:00 A.M. April 1, 1962.

Yours very truly,

GREAT WESTERN DRILLING COMPANY



S. H. Snoddy
Land Manager

SHS:mc
Encl.

✓ cc/encl. New Mexico Oil Conservation Commission
P.O. Box 871
Santa Fe, New Mexico

cc/encl. Mr. S. B. Christy, IV
Harvey, Dow & Hinkle
P.O. Box 10
Roswell, New Mexico

CONSENT TO AND RATIFICATION OF
UNIT AGREEMENT
AND
UNIT OPERATING AGREEMENT
FOR THE DEVELOPMENT AND OPERATION OF THE
MALMAR UNIT
LEA COUNTY, NEW MEXICO

The undersigned Working Interest Owner in the said Unit Agreement and Unit Operating Agreement, which embraces certain lands in Township 17 South, Ranges 32 and 33 East, N.M.P.M., for valuable consideration paid, ratifies, confirms and joins in the execution of said Unit Agreement and said Unit Operating Agreement (each of which is incorporated herein by a reference) to the same extent and effect as if the undersigned had executed the original of said Unit Agreement and said Unit Operating Agreement, or respective counterparts thereof. The undersigned does further commit all of the undersigned's right, title and interest in and to the Unitized Substances to the terms, provisions and agreements in said Unit Agreement and said Unit Operating Agreement.

The undersigned acknowledges the receipt of a copy of said Unit Agreement and said Unit Operating Agreement, and further acknowledges that this instrument has been signed and unconditionally delivered at the date shown hereon.

WORKING INTEREST OWNER

ATTEST:

R. W. Pearson
Assistant Secretary

GREAT WESTERN DRILLING COMPANY

By: R. C. Tucker
President

Address: P.O. Box 1659

Date: March 30, 1962

Midland, Texas

(Individual)

STATE OF _____

COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of December, 1961, by _____, husband and wife.

My Commission Expires _____

Notary Public

(Corporate)

STATE OF TEXAS

COUNTY OF MIDLAND

The foregoing instrument was acknowledged before me this 30th day of March, 1962 ~~December, 1961~~, by R. C. Tucker, President of Great Western Drilling Company, a Texas corporation on behalf of said corporation.

My Commission Expires 6-1-63

Sam H. Snidley
Notary Public

2456

March 22, 1962

Great Western Drilling Company
P. O. Box 1659
Midland, Texas

Re: Malmar Unit
Lea County, New Mexico

Gentlemen:

The Commissioner of Public Lands approved as of March 22, 1962, the Malmar Unit Agreement, Lea County, New Mexico.

We are retaining two copies of Certificate of Approval and handing Mr. Sam H. Snoddy four copies of the Certificate of Approval.

Very truly yours,

E. S. JOHNNY WALKER
COMMISSIONER OF PUBLIC LANDS

BY:
(Mrs.) Marian M. Rhea, Supervisor
Unit Division

ESW/lmr/v

C
O
P
Y

CIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

January 4, 1961

Mr. Howard Bratton
Hervey, Dow & Hinkle
P. O. Box 10
Roswell, New Mexico

Gentlemen:

Enclosed herewith is Commission Order No. R-2155, entered in Case No. 2456, approving the Great Western Drilling Company's Malmar Unit Area and Malmar Water Flood Project.

According to our calculations, when all of the authorized injection wells have been placed on active injection, the maximum allowable which this project will be eligible to receive under the provisions of Rule 701-E-3 is 798 barrels per day. This is based upon the assumption that the wells on each of the 40-acre tracts in the waterflood project area are completed in and producing from the Maljamar (Grayburg-San Andres) Pool.

Please report any error in this calculated maximum allowable immediately, both to the Santa Fe office of the Commission and the appropriate District proration office.

In order that the allowable assigned to the project may be kept current, and in order that the operator may fully benefit from the allowable provisions of Rule 701, it behooves him to promptly notify both of the aforementioned Commission offices by letter of any change in the status of wells in the project area, i.e., when active injection commences, when additional injection or producing wells are drilled, when additional wells are acquired through purchase or unitization, when wells have received a response to water injection, etc.

C

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CIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

Mr. Howard Bratton

January 4, 1961

-2-

Your cooperation in keeping the Commission so informed as to the status of the project and the wells therein will be appreciated.

Very truly yours,

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

ALP/og

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STATE OF NEW MEXICO

STATE ENGINEER OFFICE

SANTA FE

S. E. REYNOLDS
STATE ENGINEER

November 30, 1961

ADDRESS CORRESPONDENCE TO:
STATE CAPITOL
SANTA FE, N. M.

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

Dear Mr. Porter:

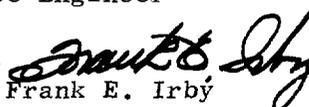
Reference is made to the application of Great Western Drilling Company of Midland, Texas which seeks approval of the Malmar Unit Agreement and authority to institute a water flood project in the Maljamar Grayburg-San Andres Pool. A copy of the application was received in this office on November 22, 1961.

After careful study of Part II of the application "Water Flood Project" which appears on pages 3 and 4, I have reached the conclusion that the proposed method of injection will not constitute a threat of contamination to the fresh waters which may exist in the area and therefore offer no objection to the granting of the application.

Yours truly,

S. E. Reynolds
State Engineer

FEI/ma
cc-John T. Hampton
F. H. Hennighausen

By: 
Frank E. Irby
Chief
Water Rights Division

GREAT WESTERN DRILLING CO.
MIDLAND, TEXAS

2456

November 20, 1961

State Engineer
Box 1079,
Santa Fe, New Mexico

Dear Sir:

Great Western Drilling Company is making application to the New Mexico Oil Conservation Commission for approval of the Malmar Unit Agreement and for approval of a secondary recovery project in said Unit.

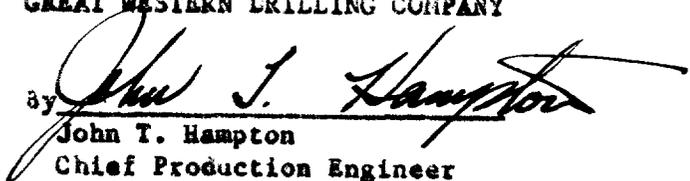
The secondary recovery project will consist of injecting water into the producing formation on an 80 acre 5 spot pattern. This water is fresh water and will be purchased from Yucca Water Company.

We are attaching to this letter a copy of our application to the Oil Conservation Commission. A copy of the analysis of the water will be furnished you as soon as possible.

Yours very truly,

GREAT WESTERN DRILLING COMPANY

By


John T. Hampton

Chief Production Engineer

JTH:tr