

RECEIVED
SEP 16 AM 11 13
2/11/65

September 16, 1965

C
O
P
Y

The Atlantic Refining Company
Post Office Box 1978
Roswell, New Mexico

In RE: Walt Canyon Unit Area
Eddy County, New Mexico

Att: Jacob I. Morrow

Gentlemen:

Atlantic Refining Company, Operator, has presented an Initial Plan of Development for the Walt Canyon Unit, Eddy County, New Mexico. This Plan of Further Development is for a period ending December 31, 1965, and proposes the drilling of a 10,000 foot Morrow test in the NW/4NW/4, Section 6-T22S-R25E, Eddy County, New Mexico. Atlantic contemplates the commencement of this well by the end of October, 1965, to be completed by the end of the year.

In addition to this well, the Operator and the other working interest owners in Walt Canyon have participated in the drilling of a well in the W/2 of Section 8-T22S-R24E, which is outside the unit area. The W/2 of Section 8 has been communitized with the E/2 of Section 8, which is inside the unit area, and the unit will participate to the extend of one-half (1/2) of the production.

The Unit members at this time are also participating in the drilling of a well in the W/2 of Section 5-T22S-R24E, which is outside the unit area, and which will, if commercial, be communitized with the E/2 of Section 5 which is within the unit area, and the unit will participate in approximately 31.25% of this production from this well if communitized.

The Commissioner of Public Lands will consider these two wells as part of the Initial Development Program in the event the 10,000 Morrow test is drilled under this proposed plan.

Jacob I. Morrow
The Atlantic Refining Company
September 16, 1965
Page -2-

We are returning three (3) approved copies of this Initial Plan of Development and Operation. Our official receipt in the amount of \$5.00 will be mailed to you at such time as it is issued.

Very truly yours,

GUYTON B. HAYS,
Commissioner of Public Lands

By

TED BILBERRY, Director,
Oil and Gas Department

GBH/TB/MMR/1

Enclosures

w/cc to: United States Geological Survey
Roswell, New Mexico

New Mexico Oil Conservation Commission
Santa Fe, New Mexico

C
O
P
Y

NOV 2 1966

2/10/2

November 1, 1966

Walt Canyon Unit
Eddy County, New Mexico

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

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

Gentlemen:

Attached for your files are copies of the execution pages showing all parties' approval of our Application for Approval of Contraction of the Walt Canyon Unit Area, Eddy County, New Mexico.

If you need anything in addition, please advise.

Yours very truly,

ATLANTIC RICHFIELD COMPANY

Curt Krehbiel

Curt Krehbiel
Land Department

CK/dlm
Attachs.

APPLICATION FOR APPROVAL OF CONTRACTION OF
WALT CANYON UNIT AREA (14-08-0001-8573),
EDDY COUNTY, NEW MEXICO

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

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

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

Atlantic Richfield Company, as Operator of the Walt Canyon Unit, and pursuant to Section 2 (c) of the Unit Agreement, respectfully requests your approval to contract the Unit Area to a size coextensive with the present participating area as shown on the attached Revised Exhibit "A" to the Unit Agreement. Also attached to this application is a Revised Exhibit "B" to the Unit Agreement, together with a copy of the Notice of Contraction, dated July 15, 1966.


The Notice of Contraction of the Walt Canyon Unit Area was mailed to all parties whose interest is affected after receiving preliminary approval from the Director of the United States Geological Survey and the Commissioner of Public Lands to contract the unit area. The thirty day notice period has elapsed and no objections to the proposed contraction have been received.

The effective date of the contraction will be the first of the month following approval of such action by the Director of the United States Geological Survey with the concurrence of the Commissioner of Public Lands and the New Mexico Oil Conservation Commission.

Dated this 15th day of August, 1966.

ATLANTIC RICHFIELD COMPANY
UNIT OPERATOR

By:


Curt Krehbiel
Landman

APPROVED:

Date:

August 19, 1966

Lynton B. Sapp
COMMISSIONER OF PUBLIC LANDS
STATE OF NEW MEXICO

APPROVED: OCT 10 1966

Date:

William D. Basher
ACTING DIRECTOR

UNITED STATES GEOLOGICAL SURVEY

APPROVED:

Date:

NEW MEXICO OIL CONSERVATION COMMISSION

Contraction of unit area, Walt Canyon unit, New Mexico

RECEIVED
AUG 18 8 22 AM '66
STATE LAND OFFICE
SANTA FE, N. M.

RECEIVED

SEP 23 1966

U. S. GEOLOGICAL SURVEY
ROSWELL, NEW MEXICO

APPROVED:

Date: _____

COMMISSIONER OF PUBLIC LANDS
STATE OF NEW MEXICO

APPROVED:

Date: _____

DIRECTOR
UNITED STATES GEOLOGICAL SURVEY

APPROVED:

Date: Sept 29, 1966

G. L. Porter
Sept 20, 1966
NEW MEXICO OIL CONSERVATION COMMISSION

RECEIVED

SEP 23 1966

U. S. GEOLOGICAL SURVEY
ROSWELL, NEW MEXICO

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO

2925

September 20, 1966

C
O
P
Y

Atlantic Richfield Company
P. O. Box 1978
Roswell, New Mexico 88201

Attention: Mr. Curt Krehbiel

Re: Contraction of Walt Canyon Unit Area,
Eddy County, New Mexico

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the application for approval to contract the Unit Area to include the present participating area of the Walt Canyon 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.

One approved copy of the application is returned herewith.

Very truly yours,

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

ALP/JEK/og

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

1966 AUG 22 11:17

August 19, 1966

Atlantic Richfield Company
P. O. Box 1978
Roswell, New Mexico 88201

Re: Walt Canyon Unit
Eddy County, New Mexico

ATTENTION: Mr. Curt Krenbiel

Gentlemen:

The Commissioner of Public Lands has received an application for approval of the contraction of the Walt Canyon Unit. The Unit Operator has stated in this application, which is dated August 15, 1966, that all parties whose interests are affected have been duly notified and that after the expiration of thirty (30) days, as provided for under Sec. 2 (c) no objections to this contraction had been received, therefore, upon approval by the Commissioner and the Oil Conservation Commission, the contraction will become effective the first of the month following approval by the United States Geological Survey.

The Commissioner of Public Lands approves the contraction of the Walt Canyon Unit, subject to like approval by the Oil Conservation Commission and the United States Geological Survey.

Please furnish us copies of approval by these two agencies. We are returning one approved copy of this application.

Very truly yours,

GUYTON B. HAYS
COMMISSIONER OF PUBLIC LANDS

BY:
Ted Bilberry, Director
Oil and Gas Department

Atlantic Richfield Company
August 19, 1966
Page 2.

GBH/MMR/s

cc:

United States Geological Survey
P. O. Drawer 1857
Roswell, New Mexico

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



Atlantic Richfield Company

Formerly

THE ATLANTIC REFINING COMPANY

INCORPORATED - 1870

PETROLEUM PRODUCTS

August 16, 1966

NORTH AMERICAN PRODUCING GROUP
NEW MEXICO - ARIZONA DISTRICT

S. L. SMITH, DISTRICT MANAGER
JACK BIARD, DISTRICT LANDMAN
E. R. DOUGLAS, DISTRICT GEOLOGIST
A. D. KLOXIN, DISTRICT DRG. & PROD. SUP'T.
M. D. ROBERTS, DISTRICT GEOPHYSICIST
W. P. TOMLINSON, DISTRICT ENGINEER
B. R. WARE, DISTRICT ADMINISTRATIVE SUP'V.

SECURITY NATIONAL BANK BLDG.

MAILING ADDRESS

P. O. BOX 1978

ROSWELL, NEW MEXICO 88201

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

Re: Walt Canyon Unit Area
Eddy County, New Mexico

Gentlemen:

Enclosed are two copies of the application for approval of contraction of the captioned unit. We will appreciate your reviewing same and if in order, returning one approved copy to this office. A copy showing all parties approval will be forwarded to you when available.

Yours very truly,

ATLANTIC RICHFIELD COMPANY

Curt Krehbiel
Land Department

CK/dlm
Attachs.

1966 17 AM 7 53

APPLICATION FOR APPROVAL OF CONTRACTION OF
WALT CANYON UNIT AREA (14-08-0001-8573),
EDDY COUNTY, NEW MEXICO

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

35 AUG 17 AM 7 50

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

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

Atlantic Richfield Company, as Operator of the Walt Canyon Unit, and pursuant to Section 2 (c) of the Unit Agreement, respectfully requests your approval to contract the Unit Area to a size coextensive with the present participating area as shown on the attached Revised Exhibit "A" to the Unit Agreement. Also attached to this application is a Revised Exhibit "B" to the Unit Agreement, together with a copy of the Notice of Contraction, dated July 15, 1966.

The Notice of Contraction of the Walt Canyon Unit Area was mailed to all parties whose interest is affected after receiving preliminary approval from the Director of the United States Geological Survey and the Commissioner of Public Lands to contract the unit area. The thirty day notice period has elapsed and no objections to the proposed contraction have been received.

The effective date of the contraction will be the first of the month following approval of such action by the Director of the United States Geological Survey with the concurrence of the Commissioner of Public Lands and the New Mexico Oil Conservation Commission.

Dated this 15th day of August, 1966.

ATLANTIC RICHFIELD COMPANY
UNIT OPERATOR

By:

Curt Krehbiel
Curt Krehbiel
Landman

APPROVED:

Date: _____

COMMISSIONER OF PUBLIC LANDS
STATE OF NEW MEXICO

APPROVED:

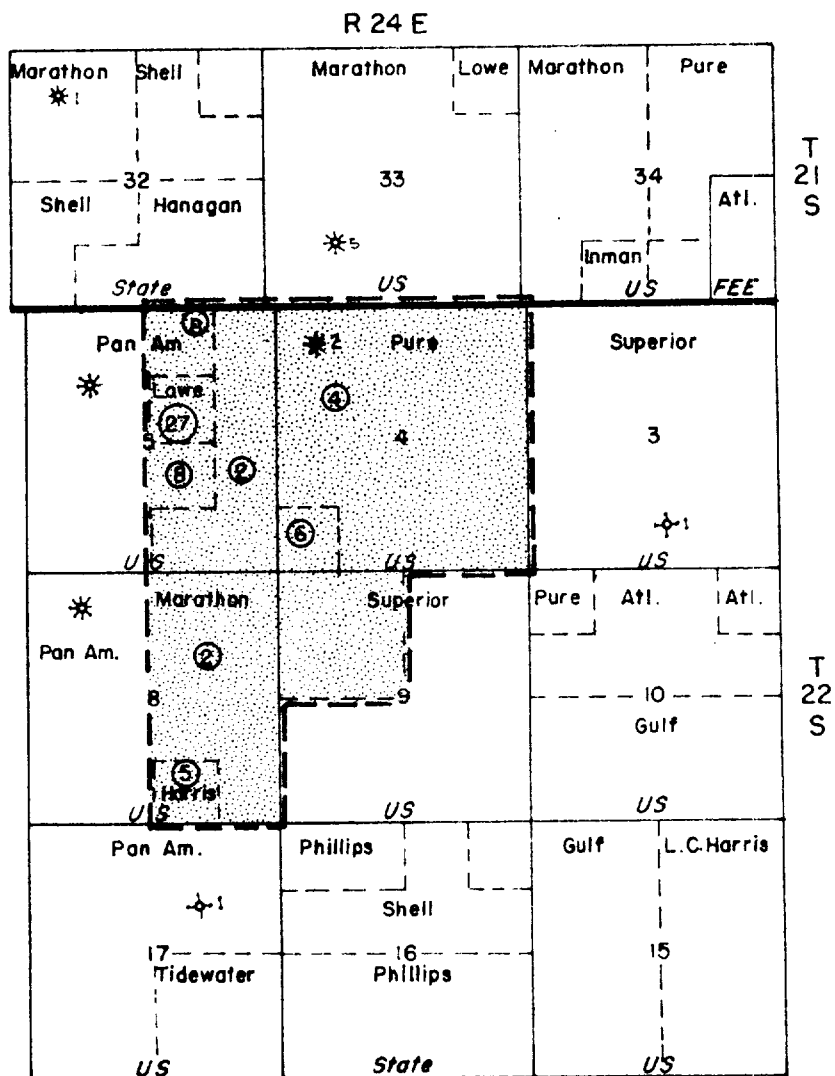
Date: _____

DIRECTOR
UNITED STATES GEOLOGICAL SURVEY

APPROVED:

Date: Sept 20, 1966

W. L. Porter
Sept 20, 1966
NEW MEXICO OIL CONSERVATION COMMISSION



--- UNIT OUTLINE AND PARTICIPATING AREA
 ○ TRACT NUMBER
 TOTAL UNIT AREA ACRES, 1,518.06
 ACRES PARTICIPATING 1,384.89
 ACRES NOT PARTICIPATING 133.17

WALT CANYON UNIT AREA
 EDDY COUNTY, NEW MEX.

REVISED EXHIBIT "A"

REVISED
EXHIBIT "B"

SCHEDULE SHOWING ALL LANDS AND OWNERSHIP WITHIN THE UNIT AREA
WALT CANYON UNIT, EDDY COUNTY, NEW MEXICO

Tract No.	Description of Land	Acres	Lease Serial No. and Lessee Of Record	Tract Ownership and Percentage	Participation Percentage
1	T-22-S, R-24-E Sec. 9: NW/4	160.00	NM-0673 Superior Oil Company Atlantic Ref. Co. Sinclair Oil and Gas Company Curtis R. Inman	<u>Basic Royalty</u> U.S.A. Working Interest Superior Oil & Gas Co. Atlantic Ref. Co. Sinclair Oil & Gas Co. Curtis R. Inman <u>Overriding Royalty</u> L. Kincaid	12.500000% 1.444158 4.982345 2.491173 1.245586 1.245586 0.144416 11.553264 = Tract Total
2	T-22-S, R-24-E Sec. 5: Lot 1, SE/4 NE/4, NE/4 SE/4, S/2 SE/4 Sec. 8: NE/4, N/2 SE/4, SE/4 SE/4	493.05	NM-04787 Marathon Oil Co. Atlantic Ref. Co. Sinclair Oil & Gas Company Curtis R. Inman	<u>Basic Royalty</u> U.S.A. Working Interest Marathon Oil Co. Atlantic Ref. Co. Sinclair Oil & Gas Company Curtis R. Inman <u>Overriding Royalty</u> Emmett K. Patterson	12.500000% 4.450263 15.108644 7.554322 3.777161 3.777161 0.934555 35.602106 = Tract Total
4	T-22-S, R-24-E Sec. 4: Lots 1, 2, 3, 4, S/2 N/2, SE/4, N/2 SW/4, SE/4 SW/4	651.84	NM-04787-B Pure Oil Co. Atlantic Ref. Co. Sinclair Oil & Gas Company Curtis R. Inman	<u>Basic Royalty</u> U.S.A. Working Interest Pure Oil Co. Atlantic Ref. Co. Sinclair Oil & Gas Company Curtis R. Inman <u>Overriding Royalty</u> Emmett K. Patterson	12.500000% 5.883500 19.886229 9.943115 4.971557 4.971557 1.412040 47.067998 = Tract Total

act	Description of Land	Acres	Lease Serial No. and Lessee Of Record	Tract Ownership and Percentage	Participation Percentage
6	T-22-S, R-24-E Sec. 8: SW/4 SE/4	40.00	NW-04787-C Lawrence C. Harris 50% Atlantic Ref. Co. 25% Sinclair Oil and Gas Company 12.5% Curtis R. Inman 12.5%	<u>Basic Royalty</u> <u>U.S.A.</u> Working Interest Lawrence C. Harris Atlantic Ref. Co. Sinclair Oil & Gas Company Curtis R. Inman <u>Overriding Royalty</u> Emmett K. Patterson 12.500000% 42.437500% 21.218750% 10.609375% 10.609375% 2.625000% <u>100.000000%</u>	0.361040 1.225729 0.612865 0.306432 0.306432 0.075818 <u>2.88316=</u> Tract Total
6	T-22-S, R-24-E Sec. 4: SW/4 SW/4	40.00	NW-04787-D Atlantic Ref. Co. 50% Sinclair Oil and Gas Company 25% Curtis R. Inman 25%	<u>Basic Royalty</u> <u>U.S.A.</u> Working Interest Atlantic Ref. Co. Sinclair Oil & Gas Company Curtis R. Inman <u>Overriding Royalty</u> Emmett K. Patterson Howard W. Jennings 12.500000% 37.500000% 18.750000% 18.750000% 3.000000% 9.500000% <u>100.000000%</u>	0.361040 1.083119 0.541559 0.541559 0.086649 0.274390 <u>2.88316=</u> Tract Total
8	T-22-S, R-24-E Sec. 5: Lot 2, NW/4 SE/4	93.17	NW-05699 John H. Trigg	<u>Basic Royalty</u> <u>U.S.A.</u> Working Interest John H. Trigg 12.500000% 87.500000% <u>100.000000%</u>	None None
27	T-22-S, R-24-E Sec. 5: SW/4 NE/4	40.00	NW-0412413 Ralph Lowe	<u>Basic Royalty</u> <u>U.S.A.</u> Working Interest Ralph Lowe <u>Overriding Royalty</u> Richard P. DeSmet 12.500000% 82.500000% 5.000000% <u>100.000000%</u>	None None None

Tracts Within Participating Area
Not Committed To The Unit

REVISED
EXHIBIT "B"

RECAPITULATION

<u>Tract No.</u>	<u>Acreage</u>	<u>Percentage of Participation</u>
1	160.00	11.553264
2	493.05	35.602106
4	651.84	47.067998
5	40.00	2.888316
6	40.00	2.888316
8	93.17	0.000000
27	<u>40.00</u>	<u>0.000000</u>
	1,518.06*	100.000000

*1,384.89 Acres Participating
133.17 Acres Not Participating



Atlantic Richfield Company

Formerly

THE ATLANTIC REFINING COMPANY

INCORPORATED - 1870

PETROLEUM PRODUCTS

July 15, 1966

NORTH AMERICAN PRODUCING GROUP
NEW MEXICO - ARIZONA DISTRICT

S. L. SMITH, DISTRICT MANAGER
JACK BIARD, DISTRICT LANDMAN
E. R. DOUGLAS, DISTRICT GEOLOGIST
A. D. KLOXIN, DISTRICT DRG. & PROD. SUP'T.
M. D. ROBERTS, DISTRICT GEOPHYSICIST
W. P. TOMLINSON, DISTRICT ENGINEER
B. R. WARE, DISTRICT ADMINISTRATIVE SUP'V.

SECURITY NATIONAL BANK BLDG.

MAILING ADDRESS

P. O. BOX 1978

ROSWELL, NEW MEXICO 88201

All Interested Parties
(Address List Attached)

Re: Notice of Contraction
Walt Canyon Unit Area
Eddy County, New Mexico

Gentlemen:

Over 75% of the working interest owners have indicated an unwillingness to do additional drilling within the Walt Canyon Unit Area. Atlantic Richfield Company, as Unit Operator, has secured preliminary concurrence from the Director of the United States Geological Survey and the Commissioner of Public Lands for the State of New Mexico in its recommendation to contract the unit area to a size coextensive with the present participating area shown outlined in red on the attached plat.

Section 2 (b) of the Unit Agreement provides that 30 days notice shall be given to all parties whose interests are affected pursuant to any contraction of the unit area. This letter shall constitute such notice and all parties shall have 30 days from the date hereof within which to submit to Unit Operator any objections they might have to the proposed contraction.

The effective date of the contraction will be the first of the month following approval of such action by the Director of the United States Geological Survey.

Yours very truly,

ATLANTIC RICHFIELD COMPANY

Curt Krehbiel
Land Department

CK/dlm

All Non-Operators
Walt Canyon Unit

Phillips Petroleum Company
P. O. Box 791
Midland, Texas
Attention: Mr. Fred W. Forward

Phillips Petroleum Company
Exploration & Production Department
Phillips Building, Room B-2
Odessa, Texas
Attention: Mr. M. H. McConnell

Mr. Curtis R. Inman
P. O. Box 737
Midland, Texas

Sinclair Oil & Gas Company
P. O. Box 1470
Midland, Texas 79701

Northern Natural Gas
P. O. Box 1800
Hobbs, New Mexico
Attention: Mr. Glen W. Barb

The Superior Oil Company
P. O. Box 1900
Midland, Texas

The Superior Oil Company
P. O. Box 1521
Houston, Texas 77001
Attention: Mr. L. J. Willis

Gulf Oil Corporation
P. O. Drawer 1938
Roswell, New Mexico
Attention: Mr. M. I. Taylor

Union Oil Company of California
300 Security National Bank Bldg.
Roswell, New Mexico
Attention: Mr. W. M. Stanley

Marathon Oil Company
P. O. Box 1398
Roswell, New Mexico

Mr. R. M. Richardson
P. O. Box 819
Roswell, New Mexico

Mr. Lawrence C. Harris
P. O. Box 1714
Roswell, New Mexico

Sally Inman
P. O. Box 737
Midland, Texas

Potash Company of America
P. O. Box 31
Carlsbad, New Mexico
Attention: Mr. J. B. Cummings

Mr. J. Hiram Moore
201 Wall Building, Suite 519
Midland, Texas

Richard T. Lyons
1602 First City National Bank Bldg.
Houston, Texas

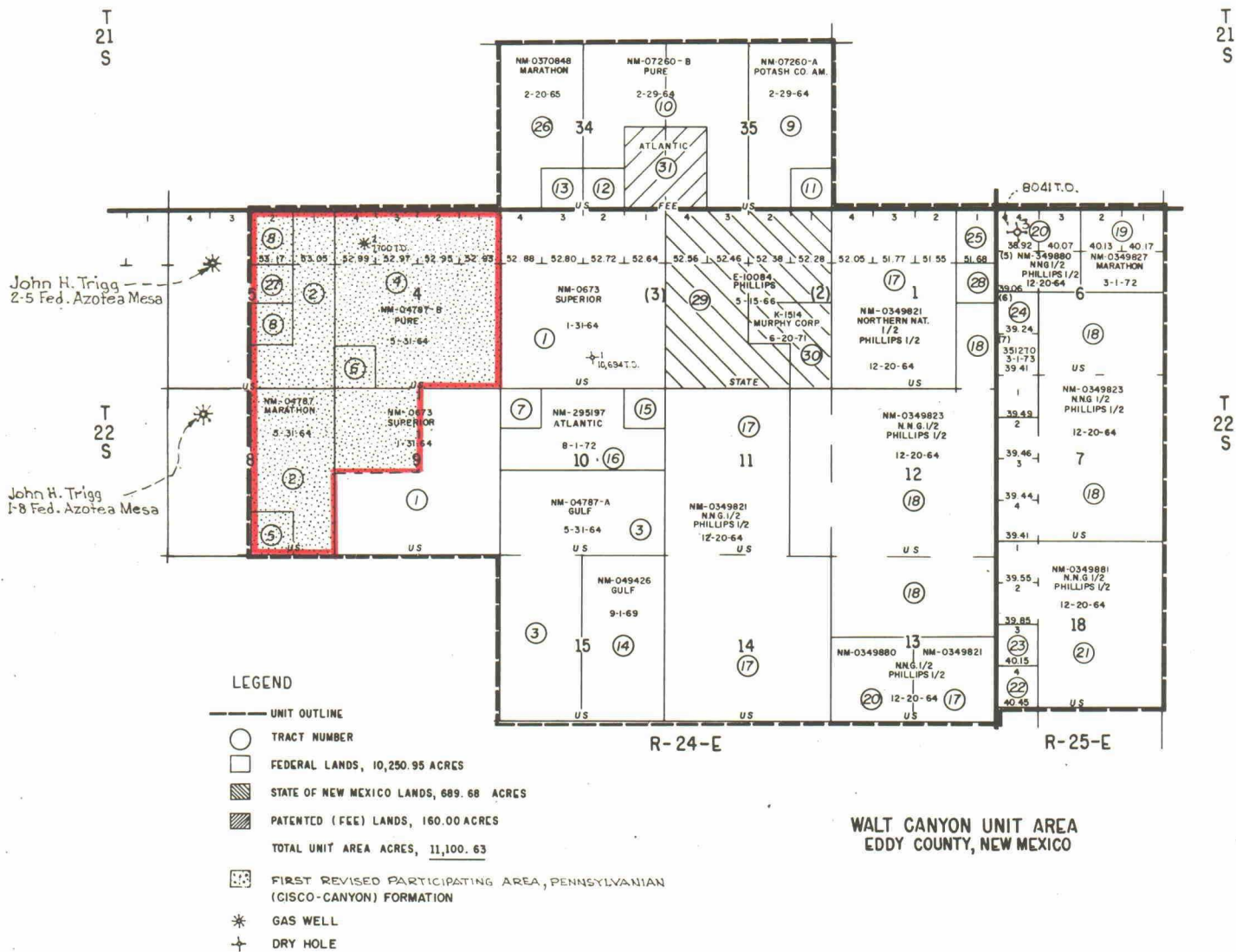


EXHIBIT "A"



Atlantic Richfield Company

Formerly

THE ATLANTIC REFINING COMPANY

INCORPORATED - 1870

PETROLEUM PRODUCTS

August 9, 1966

27-2

NORTH AMERICAN PRODUCING GROUP
NEW MEXICO - ARIZONA DISTRICT

S. L. SMITH, DISTRICT MANAGER
JACK BIARD, DISTRICT LANDMAN
E. R. DOUGLAS, DISTRICT GEOLOGIST
A. D. KLOXIN, DISTRICT DRLG. & PROD. SUP'T.
M. D. ROBERTS, DISTRICT GEOPHYSICIST
W. P. TOMLINSON, DISTRICT ENGINEER
B. R. WARE, DISTRICT ADMINISTRATIVE SUP'V.

SECURITY NATIONAL BANK BLDG.

MAILING ADDRESS
P. O. BOX 1978
ROS WELL, NEW MEXICO 88201

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

Re: Notice of Contraction
Walt Canyon Unit Area
Eddy County, New Mexico

Gentlemen:

Enclosed is a copy of the notice of contraction for the captioned unit which was mailed July 15, 1966, to the parties whose interests are affected. Through an oversight on our part you were not furnished a copy of this notice at the same time that copies were sent to the United States Geological Survey and the State Land Commissioner.

1966 AUG 10 AM 10 2

Since we had planned to file the application for approval of contraction with the above mentioned agencies, as well as the New Mexico Oil Conservation Commission, on August 15, 1966, which will be the end of the thirty day notice period, we will continue with such plans in the absence of any objection from you.

Please accept our sincere apologies for any inconvenience you may be caused by this oversight.

Yours very truly,

ATLANTIC RICHFIELD COMPANY

Curt Krehbiel

Curt Krehbiel
Land Department

CK/dlm
Attach.

cc: New Mexico Oil Conservation Commission
Drawer DD
Artesia, New Mexico (w/attach)



Atlantic Richfield Company

Formerly

THE ATLANTIC REFINING COMPANY

INCORPORATED - 1870

PETROLEUM PRODUCTS

July 15, 1966

NORTH AMERICAN PRODUCING GROUP
NEW MEXICO - ARIZONA DISTRICT

S. L. SMITH, DISTRICT MANAGER
JACK BIARD, DISTRICT LANDMAN
E. R. DOUGLAS, DISTRICT GEOLOGIST
A. D. KLOXIN, DISTRICT DRG. & PROD. SUP'T.
M. D. ROBERTS, DISTRICT GEOPHYSICIST
W. P. TOMLINSON, DISTRICT ENGINEER
B. R. WARE, DISTRICT ADMINISTRATIVE SUP'V.

SECURITY NATIONAL BANK BLDG.

MAILING ADDRESS

P. O. BOX 1978

ROSWELL, NEW MEXICO 88201

All Interested Parties
(Address List Attached)

Re: Notice of Contraction
Walt Canyon Unit Area
Eddy County, New Mexico

Gentlemen:

Over 75% of the working interest owners have indicated an unwillingness to do additional drilling within the Walt Canyon Unit Area. Atlantic Richfield Company, as Unit Operator, has secured preliminary concurrence from the Director of the United States Geological Survey and the Commissioner of Public Lands for the State of New Mexico in its recommendation to contract the unit area to a size coextensive with the present participating area shown outlined in red on the attached plat.

Section 2 (b) of the Unit Agreement provides that 30 days notice shall be given to all parties whose interests are affected pursuant to any contraction of the unit area. This letter shall constitute such notice and all parties shall have 30 days from the date hereof within which to submit to Unit Operator any objections they might have to the proposed contraction.

The effective date of the contraction will be the first of the month following approval of such action by the Director of the United States Geological Survey.

Yours very truly,

ATLANTIC RICHFIELD COMPANY

Curt Krehbiel
Land Department

CK/dlm

All Non-Operators
Walt Canyon Unit

Phillips Petroleum Company
P. O. Box 791
Midland, Texas
Attention: Mr. Fred W. Forward

Phillips Petroleum Company
Exploration & Production Department
Phillips Building, Room B-2
Odessa, Texas
Attention: Mr. M. H. McConnell

Mr. Curtis R. Inman
P. O. Box 737
Midland, Texas

Sinclair Oil & Gas Company
P. O. Box 1470
Midland, Texas 79701

Northern Natural Gas
P. O. Box 1800
Hobbs, New Mexico
Attention: Mr. Glen W. Barb

The Superior Oil Company
P. O. Box 1900
Midland, Texas

The Superior Oil Company
P. O. Box 1521
Houston, Texas 77001
Attention: Mr. L. J. Willis

Gulf Oil Corporation
P. O. Drawer 1938
Roswell, New Mexico
Attention: Mr. M. I. Taylor

Union Oil Company of California
300 Security National Bank Bldg.
Roswell, New Mexico
Attention: Mr. W. M. Stanley

Marathon Oil Company
P. O. Box 1398
Roswell, New Mexico

Mr. R. M. Richardson
P. O. Box 819
Roswell, New Mexico

Mr. Lawrence C. Harris
P. O. Box 1714
Roswell, New Mexico

Sally Inman
P. O. Box 737
Midland, Texas

Potash Company of America
P. O. Box 31
Carlsbad, New Mexico
Attention: Mr. J. B. Cummings

Mr. J. Hiram Moore
201 Wall Building, Suite 519
Midland, Texas

Richard T. Lyons
1602 First City National Bank Bldg.
Houston, Texas

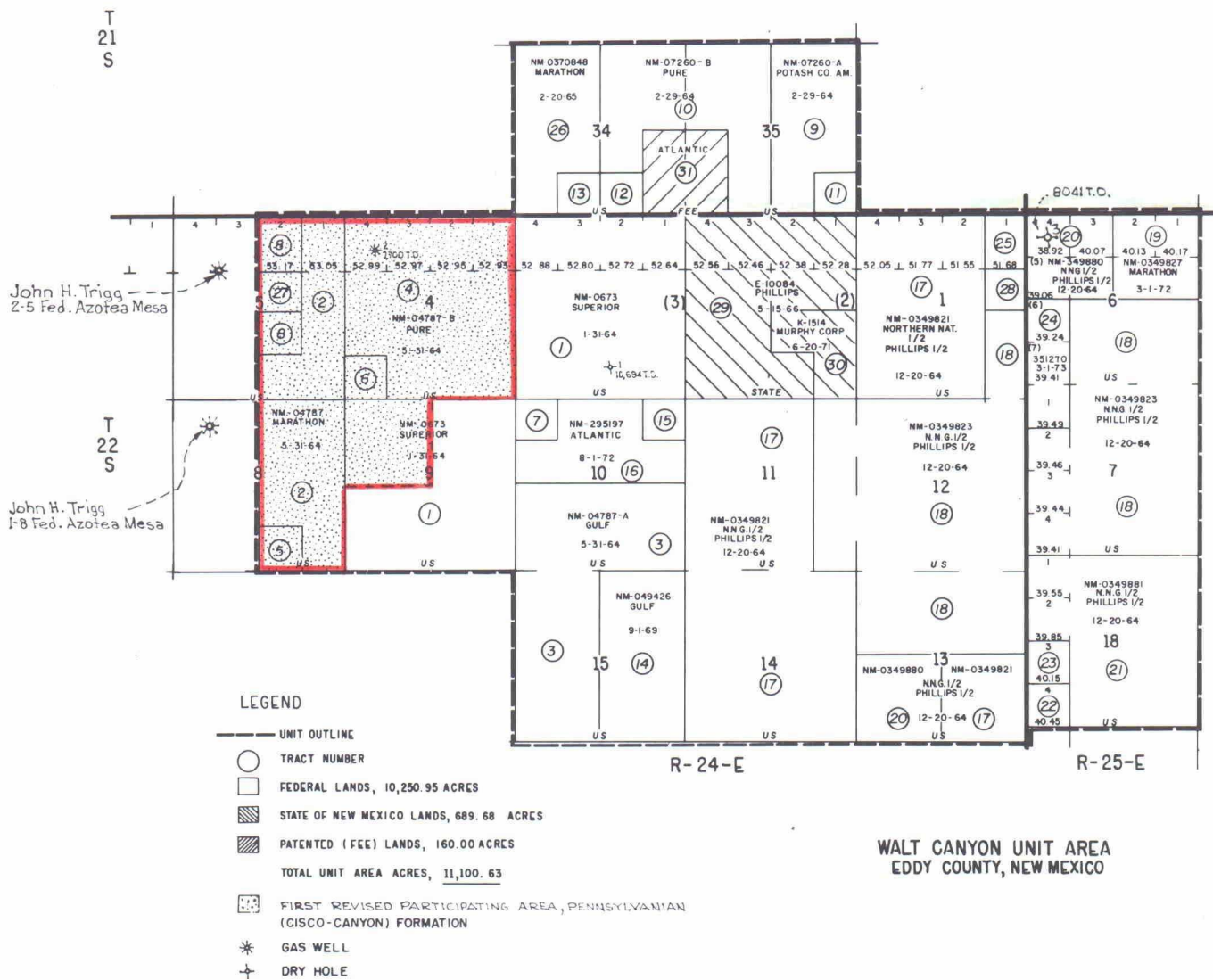


EXHIBIT "A"



23

cc: United States Geological Survey
Roswell, New Mexico

North American Producing Division
New Mexico-Arizona District
Post Office Box 1978
Roswell, New Mexico 88201
Telephone 505 622 4041

SEP 2 PM 1 27



2/23

August 31, 1966

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

Re: Walt Canyon Unit Area
Eddy County, New Mexico

Gentlemen:

Attached for your files are two copies of a new revised Exhibit "B" to the captioned unit agreement. The only difference between the attached Exhibit "B" and the one you were furnished with our letter of August 16, 1966, is that Richard T. Lyons and J. Hiram Moore are now shown as lessees of record and Curtis R. Inman's record interest has been reduced correspondingly.

Please replace the revised Exhibit "B" which accompanied our Application for Approval of Contraction of the unit area with the attached in order to correct and bring your file up-to-date.

Yours very truly,

ATLANTIC RICHFIELD COMPANY

Curt Krehbiel

Curt Krehbiel
Land Department

CK/dlm
Attachs.

REVISED
EXHIBIT "B"
SCHEDULE SHOWING ALL LANDS AND OWNERSHIP WITHIN THE UNIT AREA
WALT CANYON UNIT, EDDY COUNTY, NEW MEXICO

Tract No.	Description of Land	Acres	Lease Serial No. and Lessee of Record	Tract Ownership and Percentage	Participation Percentage
T-22-S, R-24-E Sec. 9: NW/4	160.00	NM-0673 Superior Oil Company Atlantic Richfield Co. Sinclair Oil and Gas Company Curtis R. Inman Richard T. Lyons J. Hiram Moore	50%	Basic Royalty U.S.A. Working Interest Superior Oil Company Atlantic Rich- field Company Sinclair Oil & Gas Company Curtis R. Inman Richard T. Lyons J. Hiram Moore	1.444158 12.500000% 43.125000% 21.562500% 10.781250% 9.433594% 0.673828% 0.673828%
			25%		
T-22-S, R-24-E Sec. 5: Lot 1, SE/4 NE/4, NE/4 SE/4, S/2 SE/4	493.05	NM-04787 Marathon Oil Co. Atlantic Richfield Co. Sinclair Oil & Gas Company Curtis R. Inman Richard T. Lyons J. Hiram Moore	50%	Basic Royalty U.S.A. Working Interest Marathon Oil Co. Atlantic Rich- field Co. Sinclair Oil & Gas Company Curtis R. Inman Richard T. Lyons J. Hiram Moore	0.144416 11.553264 = Tract Total 4.450263 15.108644 7.554322 3.777161 3.305016 0.236072 0.236073
			25%		
Sec. 8: NE/4, N/2 SE/4, SE/4 SE/4				Overriding Royalty Emmett K. Patterson	0.934555
					35.602106 = Tract Total

Tract No.	Lease Serial No. and Description of Land	Acres	Lessee of Record	Tract Ownership and Percentage	Participation Percentage
T-22-S, R-24-E Sec. 4: SW/4 SE/4	Lots 1, 2, 3, 4, S/2 N/2, SE/4, N/2 SW/4 SE/4 SW/4	651.84	NM-04787-B Pure Oil Co. Atlantic Richfield Co. Sinclair Oil & Gas Company Curtis R. Inman Richard T. Lyons J. Hiram Moore	Basic Royalty U.S.A. 12.500000%	5.883500
				Working Interest Pure Oil Co. 42.250000%	19.886229
				Atlantic Rich- field Company 21.125000%	9.943115
				Sinclair Oil & Gas Company 10.562500%	4.971557
				Curtis R. Inman 9.242188%	4.350113
				Richard T. Lyons 0.660156%	0.310722
				J. Hiram Moore 0.660156%	0.310722
				Overriding Royalty Emmett K. Patterson 3.000000%	1.412040
				100.000000%	47.057998 = Tract Tot
T-22-S, R-24-E Sec. 8: SW/4 SE/4		40.00	NM-04787-C Lawrence C. Harris Atlantic Richfield Co. Sinclair Oil and Gas Company Curtis R. Inman Richard T. Lyons J. Hiram Moore	Basic Royalty U.S.A. 12.500000%	0.361040
				Working Interest Lawrence C. Harris 42.437500%	1.225729
				Atlantic Rich- field Company 21.218750%	0.612865
				Sinclair Oil & Gas Company 10.609375%	0.306432
				Curtis R. Inman 9.283203%	0.268128
				Richard T. Lyons 0.663086%	0.019152
				J. Hiram Moore 0.663086%	0.019152
				Overriding Royalty Emmett K. Patterson 2.625000%	0.075818
				100.000000%	2.888316 = Tract Tot
T-22-S, R-24-E Sec. 4: SW/4 SW/4		40.00	NM-04787-D Atlantic Richfield Company 50% Sinclair Oil and Gas Company 25% Curtis R. Inman 21.875% Richard T. Lyons 1.5625% J. Hiram Moore 1.5625%	Basic Royalty U.S.A. 12.500000%	0.361040
				Working Interest Atlantic Rich- field Company 37.500000%	1.083119
				Sinclair Oil & Gas Company 18.750000%	0.541559
				Curtis R. Inman 16.406250%	0.473864
				Richard T. Lyons 1.171875%	0.033847
				J. Hiram Moore 1.171875%	0.033847

Tract No. Description of Land	Acres	Lease Serial No.	Tract Ownership	Participation Percentage
		and Lessee of Record	and Percentage	

Overriding Royalty

Emmett K. Patterson

Howard W. Jennings

3.000000%

9.500000%

100.000000%

0.086650

0.274390

2.888316 = Tract To

Tracts Within Participating Area
Not Committed to the Unit

3

T-22-S, R-24-E
Sec. 5: Lot 2, NW/4 SE/4

93.17

NM-05699
John H. Trigg

Basic Royalty

U.S.A.

Working Interest

John H. Trigg

12.500000%

87.500000%

100.000000%

None

None

27

T-22-S, R-24-E
Sec. 5: SW/4 NE/4

40.00

NM-0412443
Ralph Lowe

Basic Royalty

U.S.A.

Working Interest

Ralph Lowe

Overriding Royalty

Richard P. Desmet

12.500000%

82.500000%

5.000000%

100.000000%

None

None

None

REVISED
EXHIBIT "B"

RECAPITULATION

<u>Tract No.</u>	<u>Acreage</u>	<u>Percentage of Participation</u>
1	160.00	11.553264
2	493.05	35.602106
4	651.84	47.067998
5	40.00	2.888316
6	40.00	2.888316
8	93.17	0.000000
27	<u>40.00</u>	<u>0.000000</u>
	1,518.06*	100.000000

*1,384.89 Acres Participating
133.17 Acres Not Participating

Tract O.	Description of Land	Acres	Lease Serial No. and Lessee of Record	Tract Ownership and Percentage	Participation Percentage	
T-22-S, R-24-E Sec. 9: NW/4	160.00	NM-0673 Superior Oil Company Atlantic Richfield Co. Sinclair Oil and Gas Company Curtis R. Inman Richard T. Lyons J. Hiram Moore	50% 25% 12.5% 10.9375% 0.78125% 0.78125%	Basic Royalty U.S.A. Working Interest Superior Oil Company Atlantic Rich- field Company Sinclair Oil & Gas Company Curtis R. Inman Richard T. Lyons J. Hiram Moore	12.500000% 43.125000% 21.562500% 10.781250% 9.433594% 0.673828% 0.673828%	1.444158 4.982345 2.491173 1.245586 1.089888 0.077849 0.077849
T-22-S, R-24-E Sec. 5: Lot 1, SE/4 NE/4, S/2 SE/4 NE/4 SE/4, S/2 SE/4	493.05	NM-04787 Marathon Oil Co. Atlantic Richfield Co. Sinclair Oil & Gas Company Curtis R. Inman Richard T. Lyons J. Hiram Moore	50% 25% 12.5% 10.9375% 0.78125% 0.78125%	Basic Royalty U.S.A. Working Interest Marathon Oil Co. Atlantic Rich- field Co. Sinclair Oil & Gas Company Curtis R. Inman Richard T. Lyons J. Hiram Moore	12.500000% 42.437500% 21.218750% 10.609375% 9.283203% 0.663086% 0.663086%	4.450263 15.108644 7.554322 3.777161 3.305016 0.236072 0.236073
Sec. 8: NE/4, N/2 SE/4, SE/4 SE/4				Overriding Royalty Emmett K. Patterson	2.625000% 100.000000%	0.934555 35.602106 = Tract To

Tract No.	Description of Land	Acres	Lease Serial No. and Lessee of Record	Tract Ownership and Percentage	Participation Percentage
	T-22-S, R-24-E Sec. 4: Lots 1, 2, 3, 4, S/2 N/2, SE/4, N/2 SW/4 SE/4 SW/4	651.84	NM-04787-B Pure Oil Co. Atlantic Richfield Co. Sinclair Oil & Gas Company Curtis R. Inman Richard T. Lyons J. Hiram Moore	Basic Royalty U.S.A. Working Interest Pure Oil Co. Atlantic Rich- field Company Sinclair Oil & Gas Company Curtis R. Inman Richard T. Lyons J. Hiram Moore Overriding Royalty Emmett K. Patterson	5.883500 19.886229 9.943115 4.971557 4.350113 0.310722 0.310722 1.412040 47.057998 = Tract Tr
	T-22-S, R-24-E Sec. 8: SW/4 SE/4	40.00	NM-04787-C Lawrence C. Harris Atlantic Richfield Co. Sinclair Oil and Gas Company Curtis R. Inman Richard T. Lyons J. Hiram Moore	Basic Royalty U.S.A. Working Interest Lawrence C. Harris Atlantic Rich- field Company Sinclair Oil & Gas Company Curtis R. Inman Richard T. Lyons J. Hiram Moore Overriding Royalty Emmett K. Patterson	0.361040 1.225729 0.612865 0.306432 0.268128 0.019152 0.019152 0.075818 2.888316 = Tract Tr
	T-22-S, R-24-E Sec. 4: SW/4 SW/4	40.00	NM-04787-D Atlantic Richfield Company Sinclair Oil and Gas Company Curtis R. Inman Richard T. Lyons J. Hiram Moore	Basic Royalty U.S.A. Working Interest Atlantic Rich- field Company Sinclair Oil & Gas Company Curtis R. Inman Richard T. Lyons J. Hiram Moore	0.361040 1.083119 0.541559 0.473864 0.033847 0.033847

Tract No.	Description of Land	Acres	Lease Serial No. and Lessee of Record	Tract Ownership and Percentage		Participation Percentage
				Overriding Royalty		
				Emmett K. Patterson	3.000000%	0.086650
				Howard W. Jennings	9.500000%	0.274390
					100.000000%	2.888316 = Tract To
Tracts Within Participating Area Not Committed to the Unit						
3	T-22-S, R-24-E Sec. 5: Lot 2, NW/4 SE/4	93.17	NM-05599 John H. Trigg	Basic Royalty U.S.A.	12.500000%	None
				Working Interest John H. Trigg	87.500000%	None
					100.000000%	
27	T-22-S, R-24-E Sec. 5: SW/4 NE/4	40.00	NM-0412443 Ralph Lowe	Basic Royalty U.S.A.	12.500000%	None
				Working Interest Ralph Lowe	82.500000%	None
				Overriding Royalty Richard P. Desmet	5.000000%	None
					100.000000%	

REVISED
EXHIBIT "B"

RECAPITULATION

<u>Tract No.</u>	<u>Acreage</u>	<u>Percentage of Participation</u>
1	160.00	11.553264
2	493.05	35.602106
4	651.84	47.067998
5	40.00	2.888316
6	40.00	2.888316
8	93.17	0.000000
27	<u>40.00</u>	<u>0.000000</u>
	1,518.06*	100.000000

*1,384.89 Acres Participating
133.17 Acres Not Participating



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Drawer 1857
Roswell, New Mexico 88201

MAIN OFFICE

IN REPLY REFER TO:

'66 MAY 3 AM 8:14

April 29, 1966

The Atlantic Refining Company
P. O. Box 1978
Roswell, New Mexico

Attention: Mr. Curt Krehbie

Gentlemen:

The first revision of the Pennsylvanian (Cisco Canyon) participating area for the Walt Canyon unit, Eddy County, New Mexico, was approved on April 21, 1966, by the Acting Director, Geological Survey, effective as of August 1, 1965.

Three copies of the approved application are enclosed. You are requested to furnish the State of New Mexico and any other interested party with appropriate evidence of this approval.

Sincerely yours,

(ORIG. SGD.) BILLY J. SHOGER

BILLY J. SHOGER
Acting Oil and Gas Supervisor

cc:
Washington (ltr. only)
Artesia (w/cy appd. appl.)
Com. of Pub. Lands - Santa Fe (ltr. only)
NMOCC - Santa Fe (ltr. only) ✓

272-
June 11, 1965

The Atlantic Refining Company
P. O. Box 1978
Roswell, New Mexico

Attention: Mr. Jacob I. Morrow

Re: Walt Canyon Unit
Eddy County, New Mexico

Gentlemen:

This is to advise the Atlantic Refining Company as Operator of the Walt Canyon Unit, Eddy County, New Mexico, that we will expect an Initial Plan of Development to be submitted to this office prior to June 26, 1965. This Plan of Development must be consistent with the terms of the Unit Agreement as provided for under Section 10 of the Walt Canyon Unit Agreement.

We have disapproved and are returning to you five copies of an undated application submitted to us by your letter of June 8, 1965, which has been erroneously designated as the Initial Plan of Development for the Walt Canyon unit area.

Very truly yours,

GUYTON B. HAYS
COMMISSIONER OF PUBLIC LANDS

BY:
(Mr.) Ted Bilberry, Director
Oil and Gas Department

GBH/MMR/d
Enclosures

cc: United States Geological Survey
P. O. Drawer 1857
Roswell, New Mexico
Attention: Mr. John A. Anderson



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Denver 80517
Roswell, New Mexico 86201

IN REPLY REFER TO:

February 10, 1965

The Atlantic Refining Company
P. O. Box 1978
Roswell, New Mexico

Attention: Mr. Jack Beard

Gentlemen:

The initial Pennsylvania (Cisneros Canyon) participating area for the Salt Canyon unit agreement, Eddy County, New Mexico, was approved on February 3, 1965, by the Acting Director, Geological Survey, effective as of June 26, 1964.

One copy of the approved application is enclosed. You are requested to furnish the State of New Mexico and any other interested party with appropriate evidence of this approval.

Sincerely yours,

(OFFICIAL USE ONLY)

JOHN A. ANDERSON
Regional Oil and Gas Supervisor

cc:
Washington (ltr. only)
BLM, Santa Fe (w/cy of appd. appla.)
Artesia (w/cy of appd. appln.)
Con. of Pub. Lands, Santa Fe (ltr. only)
HBOCC, Santa Fe (ltr. only) ✓

MAILED 100
NOV 24 PM 4 1964

273

November 24, 1964

R. M. Richardson
P. O. Box 819
Roswell, New Mexico

Re: Walt Canyon Unit Area
Eddy County, New Mexico
Resignation and Designation
of Successor Unit Operator

Dear Mr. Richardson:

The Commissioner of Public Lands has accepted as of this date the resignation of Curtis R. Inman, as Unit Operator and has approved the Designation of The Atlantic Refining Company as successor Unit Operator of the Walt Canyon Unit Area, Eddy County, New Mexico.

We are returning three (3) copies of this change of Unit Operator.

Very truly yours,

E. S. JOHNNY WALKER
COMMISSIONER OF PUBLIC LANDS

BY:
Ted Bilberry, Director
Oil & Gas Department

ESW/nmr/v

cc: United States Geological Survey
Roswell, New Mexico

Oil Conservation Commission
Santa Fe, New Mexico

Atlantic Refining Company
Roswell, New Mexico

DATE OF ISSUE
'64 DEC 2 PM
Drawer 1857
Roswell, New Mexico 88201

November 30, 1964

The Atlantic Refining Company
P. O. Box 1978
Roswell, New Mexico

Attention: Mr. Boone Macaulay

Gentlemen:

Your letter of November 24 advises that The Atlantic Refining Company, as successor unit operator, has determined Walt Canyon unit well No. 2 in the NE1/4 sec. 4, T. 22 S., R. 24 E., N.M.P.M., Eddy County, New Mexico, Federal lease New Mexico 04787-B, to be capable of producing unitized substances in paying quantities from the Cisco.

The No. 2 well was completed on June 26, 1964, for an initial calculated open flow potential of 17,600 MCF of gas per day from Cisco perforations 7,570-7,600 feet.

This office concurs with your determination that unit well No. 2 is capable of producing unitized substances in paying quantities. The initial plan of development should be filed on or before December 26, 1964, pursuant to section 10 of the unit agreement. We understand that you are in the process of preparing the application for approval of the initial Cisco participating area for the Walt Canyon unit.

Sincerely yours,

JOHN A. ANDERSON
Regional Oil and Gas Supervisor

cc:

Washington (w/cy of ltr. dated 11-24-64)

Artesia (w/cy of ltr. dated 11-24-64)

BLM-Santa Fe (ltr. only)

4 NMOCC-Santa Fe (ltr. only)

Com. of Pub. Lands-Santa Fe (ltr. only)

Accounts

OTHER _____

R. M. RICHARDSON
OIL AND GAS LEASES - UNITIZATION
FEDERAL - STATE - FEE
P. O. BOX 819
ROSWELL, NEW MEXICO
November 14, 1963

OFFICE SDS 11622-8801
RES. SDS 11622-7985

In Re: Walt Canyon Unit Area,
Eddy County, New Mexico

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

Attn: Mr. Porter

Dear Mr. Porter,

On behalf of Curtis R. Inman of Midland, Texas, I am attaching Application for Approval of the Walt Canyon Unit Agreement, Eddy County, New Mexico.

There is also attached one copy of the Unit Agreement. The Exhibit "A" to the Unit Agreement is not complete as the tract numbers are not shown, and there is no Exhibit "B". These exhibits will be furnished to you within the very near future.

The necessary application has been made to Mrs. Rhea in the Commissioner's office.

Mr. Inman is obligated to have the Unit Approved and be drilling by the 31st of January, consequently we would very much appreciate your setting the hearing date as soon as it can be arranged and placed on the docket.

In the event all is not in order, or if you need anything additional at this time, please call me collect here in Roswell. Thank you.

Yours very truly,



R. M. Richardson

cc: Inman

DOCKET MAILED

Date 11-23-63

R. M. RICHARDSON
OIL AND GAS LEASES - UNITIZATION
FEDERAL - STATE - FEE
P. O. BOX 819
ROSWELL, NEW MEXICO
November 20, 1963

2953

OFFICE 505 622-8801
RES. 505 622-7985
NOV 21 AM 11 14

In Re: Walt Canyon Unit Area
Eddy County, New Mexico
Curtis R. Inman

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

Dear Mr. Porter,

Pursuant to our letter of November 14, 1963, wherein we filed application for hearing in connection with the Walt Canyon Unit, we are herewith enclosing copy of Exhibit "A" and copy of Exhibit "B" to the Unit Agreement.

I understand from Mr. Nutter that the hearing for this Unit has been set for December 4th, 1963. If you should need anything more at this time, please do not hesitate to let us know.

Yours very truly,



R. M. Richardson

cc: Inman

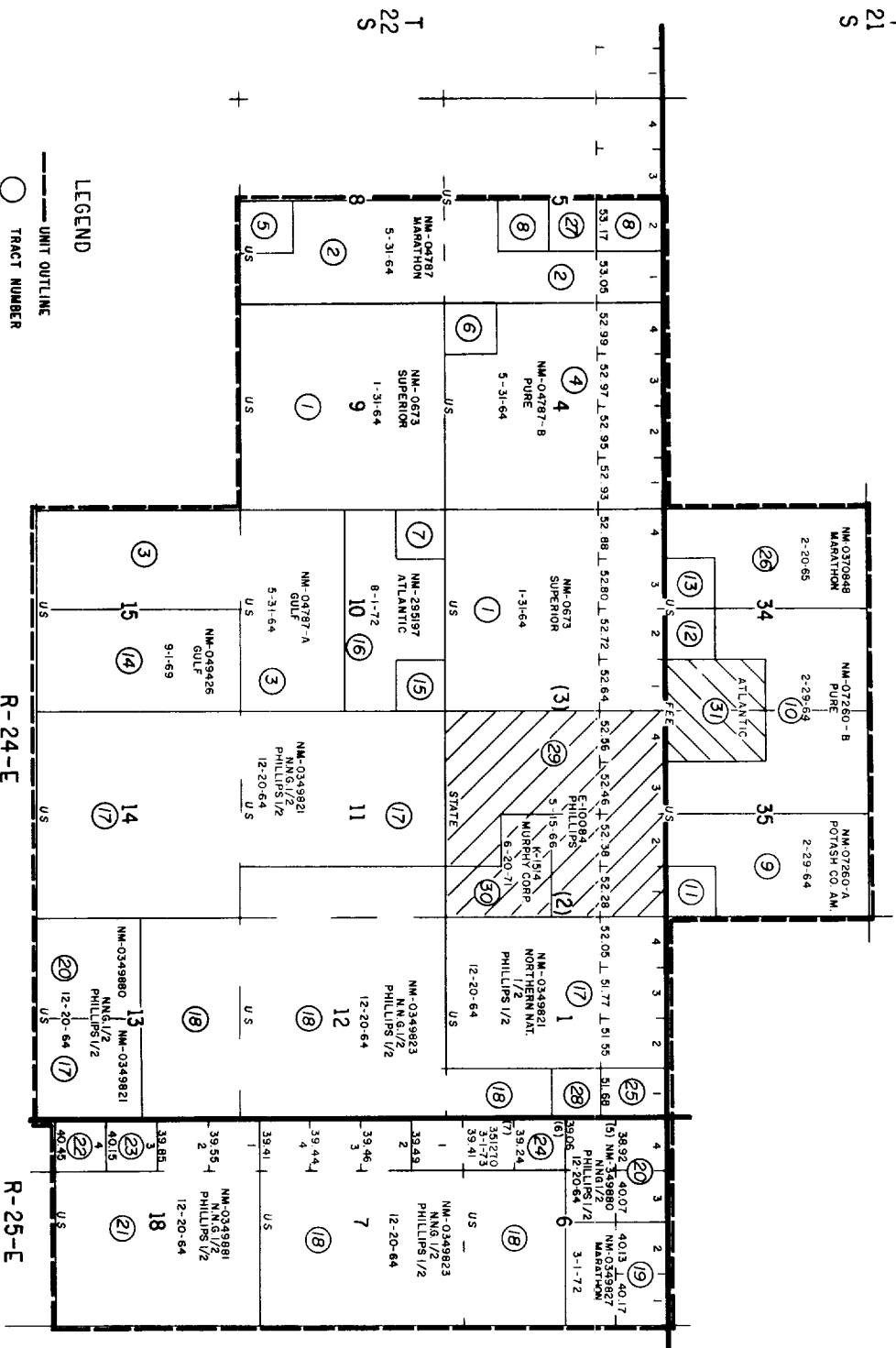
DOCKET MAILED

Date 11-22-63

11

T
21
S

T
21
S



T
22
S

T
22
S

EXHIBIT "B"
SCHEDULE SHOWING ALL LANDS AND OWNERSHIP
WITHIN THE UNIT AREA
WALT CANYON UNIT AREA, EDDY COUNTY, NEW MEXICO

F E D E R A L L A N D

TRACT NO.	DESCRIPTION OF LAND	ACRES	LEASE NO. & EXP. DATE	BASIC ROYALTY AND PERCENTAGE	LESSEE OF RECORD	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST AND PERCENTAGE
1.	<u>T-22-S, R-24-E</u> Sec. 3; Lots 1, 2, 3, 4, S/2 N/2, S/2 (All) Sec. 9; All	1331.04	NM-0673 1-31-64	U.S.A.: 12-1/2%	Superior Oil Co.	William L. Kincaid - 1.25%	Superior Oil Co. All
2.	<u>T-22-S, R-24-E</u> Sec. 5; Lot 1, SE/4 NE/4, NE/4 SE/4, S/2 SE/4. Sec. 8; NE/4, N/2 SE/4, SE/4 SE/4	493.05	NM-04787 5-31-64	U.S.A.: 12-1/2%	Marathon Oil Co.	Emmett K. Patterson - 2.625%	Marathon Oil Co. All
3.	<u>T-22-S, R-24-E</u> Sec. 10; S/2 Sec. 15; W/2	640.00	NM-04787-A 5-31-64	U.S.A.: 12-1/2%	Gulf Oil Corp.	Emmett K. Patterson - 3%	Gulf Oil Corp. All
4.	<u>T-22-S, R-24-E</u> Sec. 4; Lots 1, 2, 3, 4, S/2 N/2, SE/4, N/2 SW/4, SE/4 SW/4	651.84	NM-04787-B 5-31-64	U.S.A.: 12-1/2%	The Pure Oil Co.	Emmett K. Patterson - 3%	The Pure Oil Co. All
5.	<u>T-22-S, R-24-E</u> Sec. 8; SW/4 SE/4	40.00	NM-04787-C 5-31-64	U.S.A.: 12-1/2%	L. C. Harris	Emmett K. Patterson - 2.625%	L. C. Harris All
6.	<u>T-22-S, R-24-E</u> Sec. 4; SW/4 SW/4	40.00	NM-04787-D 5-31-64	U.S.A.: 12-1/2%	Howard W. Jennings	Emmett K. Patterson - 3%	Howard W. Jennings All

TRACT NO.	DESCRIPTION OF LAND	ACRES	LEASE NO. & EXP. DATE	BASIC ROYALTY AND PERCENTAGE	LESSEE OF RECORD	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST AND PERCENTAGE
7.	<u>T-22-S, R-24-E</u> Sec. 10; NW/4 NW/4	40.00	NM-04787-E 5-31-64	U.S.A.: 12-1/2%	The Pure Oil Co.	Emmett K. Patterson - 3%	The Pure Oil Co. All
8.	<u>T-22-S, R-24-E</u> Sec. 5; Lot 2, NW/4 SE/4	93.17	NM-05699 5-31-65	U.S.A.: 12-1/2%	John H. Triss	None	John H. Triss All
9.	<u>T-21-S, R-24-E</u> Sec. 35; NE/4, N/2 SE/4, SW/4 SE/4	280.00	NM-07260-A 2-29-64	U.S.A.: 12-1/2%	Potash Co. of America	Jo Anna Wills Light per acre out of 3%	Potash Co. of America All
10.	<u>T-21-S, R-24-E</u> Sec. 34; NE/4, NW/4 SE/4. Sec. 35; NW/4, E/2 SW/4	440.00	NM-07260-B 2-29-64	U.S.A.: 12-1/2%	The Pure Oil Co.	Jo Anna Wills Light per acre out of 3%	The Pure Oil Co. All
11.	<u>T-21-S, R-24-E</u> Sec. 35; SE/4 SE/4	40.00	NM-07260-C 2-29-64	U.S.A.: 12-1/2%	J. B. Cummings	Jo Anna Wills Light per acre out of 3%	J. B. Cummings All
12.	<u>T-21-S, R-24-E</u> Sec. 34; SW/4 SE/4	40.00	NM-07260-D 2-29-64	U.S.A.: 12-1/2%	Howard W. Jennings	Jo Anna Wills Light per acre out of 3%	Howard W. Jennings All
13.	<u>T-21-S, R-24-E</u> Sec. 34; SE/4 SW/4	40.00	NM-07260-E 2-29-64	U.S.A.: 12-1/2%	Neil H. Wills	Jo Anna Wills Light per acre out of 3%	Neil H. Wills All
14.	<u>T-22-S, R-24-E</u> Sec. 15; E/2	320.00	NM-049426 9-1-69	U.S.A.: 12-1/2%	Gulf Oil Corp.	Dalport Oil Corp. - 5%	Gulf Oil Corp. All
15.	<u>T-22-S, R-24-E</u> Sec. 10; NE/4 NE/4	40.00	NM-0122775 5-1-71	U.S.A.: 12-1/2%	Halver F. Holbeck	Unknown	Halver F. Holbeck All
16.	<u>T-22-S, R-24-E</u> Sec. 10; S/2 N/2, NW/4 NE/4, NE/4 NW/4	240.00	NM-0295197 8-1-72	U.S.A.: 12-1/2%	Atlantic Ref. Co.	Isabel Hirsig & Fred B. Hirsig - 3% Lionie Kemper & Fern B. Kemper - 2%	Atlantic Ref. Co. All

TRACT NO.	DESCRIPTION OF LAND	ACRES	LEASE NO. & EXP. DATE	BASIC ROYALTY AND PERCENTAGE	LESSEE OF RECORD	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST AND PERCENTAGE
17.	T-22-S, R-24-E Sec. 1; Lots 2,3,4, SW/4, W/2 SE/4, S/2 NW/4, SW/4 NE/4 Sec. 11; W/2 E/2, W/2 Sec. 13; SE/4 Sec. 14; All	1795.37	NM-0349821 12-20-64	U.S.A.: 12-1/2%	Northern Nat. Gas Prod. 1/2 Phillips Pet. Co. 1/2	Eleyse S. Patterson, Sue S. Graham & Sally S. Toles \$300 per acre out of 2%	Northern Nat. Gas Prod. 1/2 Phillips Pet. Co. 1/2
18.	T-22-S, R-24-E Sec. 1; E/2 SE/4 Sec. 11; E/2 E/2 Sec. 12; All Sec. 13; N/2 T-22-S, R-25-E Sec. 6; E/2 SW/4, SE/4 Sec. 7; Lots 2,3,4, E/2 W/2, E/2	2038.31	NM-0349823 12-20-64	U.S.A.: 12-1/2%	Northern Nat. Gas Prod. 1/2 Phillips Pet. Co. 1/2	Margaret L. & D. O. Wilson (1/4) Neil H. Wills (1/4) Geo. D. & Edith Riggs (1/4) Everett E. Taylor (1/8) Rudie C. & Bryan Bell (1/8) \$300 per acre out of 2%	Northern Nat. Gas Prod. 1/2 Phillips Pet. Co. 1/2
19.	T-22-S, R-25-E Sec. 6; Lots 1,2, S/2 NE/4	160.30	NM-0349827 3-1-72	U.S.A.: 12-1/2%	Marathon Oil Co.	William A. Hoffman - 3%	Marathon Oil Co. All
20.	T-22-S, R-24-E Sec. 13; SW/4 T-22-S, R-25-E Sec. 6; Lots 3,4,5, SE/4 NW/4	318.05	NM-0349880 12-20-64	U.S.A.: 12-1/2%	Northern Nat. Gas Prod. 1/2 Phillips Pet. Co. 1/2	Sally S. Toles (1/15) Sue S. Graham (1/15) Eleyse S. Patterson (1/15) Mabel Leonard (1/10) Est. Harry Leonard (1/10) Neil H. Wills (1/5) Geo. D. Riggs (1/5) Virginia & Ruby Hess (1/5) \$300 per acre out of 2%	Northern Nat. Gas Prod. 1/2 Phillips Pet. Co. 1/2

TOTAL: 28 Tracts, Federal Lands - 10,250.95 acres, 92.35% of Unit Area

STATE OF NEW MEXICO LANDS

TRACT NO.	DESCRIPTION OF LAND	ACRES	LEASE NO. & EXP. DATE	BASIC ROYALTY AND PERCENTAGE	LESSEE OF RECORD	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST AND PERCENTAGE
29.	T-22-S, R-24-E Sec. 2; Lots 1, 2, 3, 4, S/2 N/2 SW/4, SW/4 SE/4	569.68	E-10084 5-15-66	State: 12-1/2%	Phillips Pet. Co.	None	Phillips Pet. Co. All
30.	T-22-S, R-24-E Sec. 2; N/2 SE/4 SE/4 SE/4	120.00	K-1514 6-20-71	State: 12-1/2%	The Murphy Corp.	None	The Murphy Corp. All

TOTAL: 2 Tracts, State of New Mexico Lands - 689.68 acres, 6.21% of Unit Area

PATENTED (FEE) LANDS

TRACT NO.	DESCRIPTION OF LAND	ACRES	LEASE NO. & EXP. DATE	BASIC ROYALTY AND PERCENTAGE	LESSEE OF RECORD	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST AND PERCENTAGE
31.	<u>T-21-S, R-24-E</u> Sec. 34; E/2 SE/4 Sec. 35; W/2 SW/4	160.00	Fee 2-8-72	W. H. Shafer & Patricia H. Shafer 1/8	Atlantic Ref. Co.	None	Atlantic Ref. Co. All
<u>TOTAL: 1 Patented Tract - 160.00 acres, 1.44% of Unit Area</u>							

RECAPITULATION:

28 Tracts Federal Lands	-	10,250.95 acres	-	92.35% of Unit Area
2 Tracts State Lands	-	689.68 acres	-	6.21% of Unit Area
1 Tract Patented Lands	-	160.00 acres	-	1.44% of Unit Area
31 Tracts		11,100.63 acres		100.00%



THE ATLANTIC REFINING COMPANY
INCORPORATED - 1870
PETROLEUM PRODUCTS

DOMESTIC PRODUCING DEPARTMENT
NEW MEXICO DISTRICT

BOONE MACAULAY, DISTRICT MANAGER
R. F. CHAMPION, DISTRICT LANDMAN
W. T. EASTES, DISTRICT GEOPHYSICIST
E. R. DOUGLAS, DISTRICT GEOLOGIST
A. D. KLOXIN, DISTRICT DRLG. & PROD. SUP'T.
W. P. TOMLINSON, DISTRICT ENGINEER
B. R. WARE, ADMINISTRATIVE SUPERVISOR

MAILING ADDRESS
P. O. BOX 1978
ROSWELL, NEW MEXICO

November 26, 1963

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

ATTENTION: Mr. Daniel S. Nutter

Re: Case No. 2953

Gentlemen:

The Atlantic Refining Company urges the Commission to approve the application of Mr. Curtis R. Inman to form a unit to be designated the Walt Canyon Unit comprising 11,100.63 acres in Eddy County, New Mexico. The Atlantic Refining Company will own a working interest in this unit if it is formed.

Yours very truly,

W. P. Tomlinson
W. P. Tomlinson

VRC:pam

cc: Mr. Curtis R. Inman
Midland National Bank Bldg.
Midland, Texas

R. M. RICHARDSON
OIL AND GAS LEASES -- UNITIZATION
FEDERAL - STATE - FEE
P. O. BOX 819
ROSWELL, NEW MEXICO

December 13, 1963

OFFICE 505 622-8801
RES. 505 622-7985

In Re: Walt Canyon Unit Area,
Eddy County, New Mexico

OCC Case No. 2953
Order No. R-2611

Mr. Elvis Utz
New Mexico Oil Conservation Commission
Box 871
Santa Fe, New Mexico

Dear Mr. Utz,

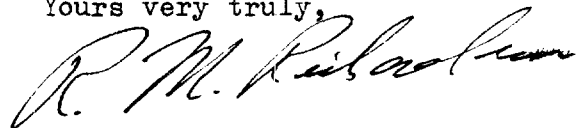
In connection with the above captioned Case, during the hearing we advised that the U. S. G. S. had requested a change in the wording of the Walt Canyon Unit Agreement.

We are now enclosing 2 copies of revised page 8 to the Agreement. The change involves the wording of the depth of the initial test well, and the test well is now to test the Basal Morrow Sand instead of to the top of the Mississippian.

Since the Basal Morrow Sand overlies the Mississippian, the net effect of the change is nothing and Mr. Inman still intends to drill to the top of the Mississippian.

After final approval of the Unit Agreement by the U. S. G. S. you will be furnished the necessary approved copy. Thank you.

Yours very truly,



R. M. Richardson

cc: Inman

define the rights, privileges, and obligations of Unit Operator. Nothing herein, however, shall be construed to transfer title to any land or to any lease or operating agreement, it being understood that under this agreement the Unit Operator, in its capacity as Unit Operator, shall exercise the rights of possession and use vested in the parties hereto only for the purposes herein specified.

9. DRILLING TO DISCOVERY. Within six months after the effective date hereof, the Unit Operator shall begin to drill an adequate test well at a location approved by the Supervisor if on Federal land or by the State Land Commissioner if on State land, or by the State Commission if on privately owned land, unless on such effective date a well is being drilled conformably with the terms hereof, and thereafter continue such drilling diligently until the Basal Morrow Sand has been tested in order to test the Pennsylvanian system, or until at a lesser depth unitized substances shall be discovered which can be produced in paying quantities (to-wit: quantities sufficient to repay the costs of drilling and producing operations, with a reasonable profit) or the Unit Operator shall at any time establish to the satisfaction of the Supervisor if on Federal land, or the State Land Commissioner if on State land, or of the State Commission if on privately owned land, that further drilling of said well would be unwarranted or impracticable; provided however, that Unit Operator shall not in any event be required to drill said well to a depth in excess of 10,500 feet. Until the discovery of a deposit of unitized substances capable of being produced in paying quantities, the Unit Operator shall continue drilling diligently one well at a time, allowing not more than six months between the completion of one well and the beginning of the next well, until a well capable of producing unitized substances in paying quantities is completed to the satisfaction of said Supervisor if it be on Federal land or of the State Land Commissioner if on State land or the State Commission if on privately owned land or until it is reasonably proved that the unitized land is incapable of producing unitized substances in paying quantities in the formations drilled hereunder. Nothing in this section shall be deemed to limit the right of the Unit Operator to resign as provided in Section 5 hereof, or as requiring Unit Operator to commence or continue any drilling during the period pending such resignation becoming effective in order to comply with the requirements of this section. The Director and State Land

define the rights, privileges, and obligations of Unit Operator. Nothing herein, however, shall be construed to transfer title to any land or to any lease or operating agreement, it being understood that under this agreement the Unit Operator, in its capacity as Unit Operator, shall exercise the rights of possession and use vested in the parties hereto only for the purposes herein specified.

9. DRILLING TO DISCOVERY. Within six months after the effective date hereof, the Unit Operator shall begin to drill an adequate test well at a location approved by the Supervisor if on Federal land or by the State Land Commissioner if on State land, or by the State Commission if on privately owned land, unless on such effective date a well is being drilled conformably with the terms hereof, and thereafter continue such drilling diligently until the Basal Morrow Sand has been tested in order to test the Pennsylvanian system, or until at a lesser depth unitized substances shall be discovered which can be produced in paying quantities (to-wit: quantities sufficient to repay the costs of drilling and producing operations, with a reasonable profit) or the Unit Operator shall at any time establish to the satisfaction of the Supervisor if on Federal land, or the State Land Commissioner if on State land, or of the State Commission if on privately owned land, that further drilling of said well would be unwarranted or impracticable; provided however, that Unit Operator shall not in any event be required to drill said well to a depth in excess of 10,500 feet. Until the discovery of a deposit of unitized substances capable of being produced in paying quantities, the Unit Operator shall continue drilling diligently one well at a time, allowing not more than six months between the completion of one well and the beginning of the next well, until a well capable of producing unitized substances in paying quantities is completed to the satisfaction of said Supervisor if it be on Federal land or of the State Land Commissioner if on State land or the State Commission if on privately owned land or until it is reasonably proved that the unitized land is incapable of producing unitized substances in paying quantities in the formations drilled hereunder. Nothing in this section shall be deemed to limit the right of the Unit Operator to resign as provided in Section 5 hereof, or as requiring Unit Operator to commence or continue any drilling during the period pending such resignation becoming effective in order to comply with the requirements of this section. The Director and State Land

December 2, 1963

Mr. Curtis R. Inman
P. O. Box 737
Midland, Texas

Re: Walt Canyon Unit
Eddy County, New Mexico

Gentlemen:

This office approves as to form and content the
Walt Canyon Unit Agreement, Eddy County, New Mexico.

We are enclosing Official Receipt No. G-32113
in the amount of Ninety (\$90.00) Dollars which covers
the filing fee.

Very truly yours,

E. S. JOHNNY WALKER
COMMISSIONER OF PUBLIC LANDS

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

ESW/mmrv

encl:

cc: Oil Conservation Commission
Santa Fe, New Mexico