



State of New Mexico
Commissioner of Public Lands

#3004

W. R. Humphries
COMMISSIONER

Advisory Board

George Clark
Chairman

Kristin Conniff
Vice Chairman

Melvin Cordova
Joe Kelly

Robert Portillos
Nancy Lynch Vigil

Rex Wilson

April 23, 1990

La Rue and Muncy
P.O. Box 470
Artesia, New Mexico 88210

ATTN: Tracy Smith

RE: Pearsall Queen Sand Unit
1990 Plan of Development

Gentlemen:

The Commissioner of Public Lands has this date approved the 1990 Plan of Development for the Pearsall Queen Sand Unit. 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 will be contacted at a later date regarding these possibilities.

Enclosed is an approved copy of the 1990 Plan of Development for your files. If we may be of further help, please do not hesitate to contact this office at (505) 827-5746.

Very truly yours,

W.R. HUMPHRIES,
COMMISSIONER OF PUBLIC LANDS

BY:

FLOYD O. PRANDO, Director
Oil and Gas Division
(505) 827-5746

cc: OCD - Santa Fe, New Mexico
BLM
Unit Correspondence File
Unit P.O.D. File

WRH/FOP/SMH

GOVERNOR
JACK M. CAMPBELL
CHAIRMAN

State of New Mexico
Oil Conservation Commission



P. O. BOX 871
SANTA FE

LAND COMMISSIONER
E. B. JOHNNY WALKER
MEMBER

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

March 18, 1964

Mr. James T. Jennings
Attorney at Law
Post Office Box 1180
Roswell, New Mexico

Re: Case No. 3004

Order No. R-2669

Applicant:

Ambassador Oil Corporation

Dear Sir:

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

Very truly yours,

A handwritten signature in cursive script that reads "A. L. Porter, Jr.".

A. L. PORTER, Jr.
Secretary-Director

ix/

Carbon copy of order also sent to:

Hobbs OCC X

Artesia OCC

Astec OCC

OTHER: Mr. Jason Kellahin

Drawer 1857
Roswell, New Mexico 88201

MAIN OFFICE: DDD

64 DEC 3 PH 1 2

December 2, 1964

Ambassador Oil Corporation
3109 Winthrop
P. O. Box 9338
Fort Worth 7, Texas

Attention: Mr. E. A. Siley

Gentlemen:

Your "plan of development" and "cooperative water flood agreement" for secondary recovery operations, Pearsall Queen Sand unit agreement, Lea County, New Mexico, as submitted by your letters of August 26, and November 24, 1964, are hereby approved, subject to like approval by the appropriate officials of the State of New Mexico.

One approved copy each of the plan and agreement are enclosed.

Sincerely yours,

(ORIG. SGD.) JOHN A. ANDERSON

JOHN A. ANDERSON
Regional Oil and Gas Supervisor

cc:

Washington (w/cy app. plan of oper.)
Hobbs (w/cy each of app. plan and agree.)
- NMOCC-Santa Fe (ltr. only)
Comm. of Pub. Lands-Santa Fe (ltr. only)

MAIN OFFICE OCC

'65 AUG 17 AM 8 3

August 17, 1965

Anadarko Production Company
Post Office Box 9317
Fort Worth, Texas

Att: E. A. Riley

In RE: Pearsall Queen Sand Unit
Lea County, New Mexico ✓

3004

Grayburg-Jackson Unit
(R 2323) ✓
Eddy County, New Mexico

2634

Langlie-Mattix Penrose
Sand Unit - Lea County,
New Mexico

2954

Gentlemen:

This office has received, by your letter of August 10, 1965, photostatic copies of executed ballots by working interest owners in the Pearsall Queen Sand Unit, Grayburg-Jackson Unit, and the Langlie-Mattix Penrose Sand Unit, selecting Anadarko Production Company as successor unit operator.

These ballots were subject to acquisition by Anadarko of Ambassador Oil Corporation's interests in these Units, and although Anadarko has made no statement nor furnished proof concerning such acquisition, we have ascertained from our records that Anadarko, by assignment, has acquired Ambassador's interests in the State of New Mexico leases which are included in these Units. We have no record of such acquisition concerning federal lands or fee lands.

COPY

Drawer 1857
Roswell, New Mexico 88201

January 12, 1965

Ambassador Oil Corporation
3109 Winthrop
P. O. Box 9036
Fort Worth 7, Texas

Attention: Mr. E. A. Riley

Gentlemen:

Your letter of December 9 transmits three copies each of a revised Exhibit C, revised pages 3 and 6 of Exhibit B, and a list showing a change in well numbers, Pearsall Queen Sand unit, Lea County, New Mexico, No. 14-08-0001-8698. Exhibit C, revised to show the participation factors for the qualified tracts effective as of November 1, 1964, the effective date of the unit agreement, is approved pursuant to Section 13 of the unit agreement, subject to like approval by the Commissioner of Public Lands of the State of New Mexico. Page 3 of Exhibit B, revised to omit noncommitted tract No. 5, is herewith returned. Noncommitted tract No. 5 remains in the unit area although it receives no participation and should be listed on Exhibit B. Accordingly, no revision of page 3, Exhibit B, is necessary.

Copies of the revisions are being distributed to the appropriate Federal offices to be filed with the official case records. One approved copy of Exhibit C is enclosed.

Sincerely yours,

(ORIG. SGD.) JOHN A. ANDERSON

JOHN A. ANDERSON
Regional Oil & Gas Supervisor

cc:

Washington (w/cy of revisions)
Hobbs (w/cy of revisions)
BLM - Santa Fe (w/cy of revisions)
Com. of Pub. Lands - Santa Fe (ltr. only)
N.M.O.C.C. - Santa Fe (ltr. only)✓
Accounts

Note to Washington: The participation factors on Exhibit C have been checked and found to be accurate.

AMBASSADOR OIL CORPORATION

AMBASSADOR BUILDING
3109 WINTHROP P. O. BOX 9338
FORT WORTH 7, TEXAS

DEC 10 1964

C. HARRISON COOPER
PRESIDENT
CHIEF EXECUTIVE OFFICER

CABLE ADDRESS
FRANJO, FORT WORTH

DECEMBER 10, 1964

*File Case
3004*

NEW MEXICO OIL CONSERVATION COMMISSION
P.O. Box 2088
SANTA FE, NEW MEXICO

ATTENTION: MR. DANIEL NUTTER

GENTLEMEN;

THE PEARSALL QUEEN SAND UNIT IN LEA COUNTY, NEW MEXICO APPROVED BY COMMISSION ORDER R-2669 BECAME EFFECTIVE NOVEMBER 1, 1964 WITH FILING OF A CERTIFICATE OF UNITIZATION WITH THE COUNTY CLERK OF LEA COUNTY. COPY ATTACHED FOR YOUR FILES.

DEVELOPMENT WORK HAS COMMENCED TO INSTALL A PILOT WATER-FLOOD AS AUTHORIZED UNDER COMMISSION ORDER R-2672.

THE NEW WELL NUMBERING SYSTEM WILL CONSIST OF AFFIXING THE TRACT NUMBER UNDER UNITIZATION IN FRONT OF THE OLD WELL NUMBER (THUS TRACT 4 WELL 1 BECOMES 4-1). A WELL NUMBER CORRELATOR SHOWING THE OLD AND NEW WELL NUMBERS IS ATTACHED.

VERY TRULY YOURS,



E. A. RILEY
ASSISTANT VICE-PRESIDENT
MANAGER OF SECONDARY RECOVERY DIV.

EAR/HB

PEARSALL QUEEN SAND UNIT
 OLD WELL AND NEW WELL NUMBER CORRELATOR, LEA COUNTY,
 NEW MEXICO

LOCATION	FORMER LEASE OWNER, LEASE NAME, WELL No.	UNIT WELL No.
NE 1/4 SE 1/4 SEC. 34 UNIT I	STATE "B" No. 1	11-1
NW 1/4 SE 1/4 SEC. 34 UNIT J	STATE "B" No. 3	12-3
NE 1/4 SW 1/4 SEC. 34 UNIT K	STATE "B" NONE	NONE (TRACT No. 10)
SE 1/4 SW 1/4 SEC. 34 UNIT N	STATE "B" No. 1	15-1
SW 1/4 SE 1/4 SEC. 34 UNIT O	STATE "B" NONE	NONE (TRACT No. 14)
SE 1/4 SE 1/4 SEC. 34 UNIT P	STATE "B" NONE	NONE (TRACT No. 13)
NE 1/4 NW 1/4 SEC. 5 UNIT C	FEDERAL "FE" No. 1	2-1
NW 1/4 NE 1/4 SEC. 5 UNIT B	FEDERAL "BB" No. 2	3-2
NE 1/4 NE 1/4 SEC. 5 UNIT A	FEDERAL "BB" No. 1	3-1
SE 1/4 NE 1/4 SEC. 5 UNIT H	FEDERAL "CC" No. 1	1-1
SW 1/4 NE 1/4 SEC. 5 UNIT G	FEDERAL "CC" No. 2	1-2
SE 1/4 NW 1/4 SEC. 5 UNIT F	FEDERAL "Z" No. 1	7-1
NE 1/4 SW 1/4 SEC. 5 UNIT K	FEDERAL "FF" No. 2	2A-2
NW 1/4 SE 1/4 SEC. 5 UNIT J	FEDERAL "DD" No. 1	8-1
NE 1/4 SE 1/4 SEC. 5 UNIT I	SHAW FEDERAL No. 1	9-1
SW 1/4 SE 1/4 SEC. 5 UNIT O	FEDERAL "DD" NONE	NONE (TRACT No. 8)
SE 1/4 SW 1/4 SEC. 5 UNIT N	FEDERAL "DD" NONE	NONE (TRACT No. 8)
NW 1/4 NW 1/4 SEC. 4 UNIT D	FEDERAL "AA" Tr. 1 No. 1	4-1
NW 1/4 NW 1/4 SEC. 4 UNIT C	FEDERAL "AA" Tr. 1 No. 2	4-2
NW 1/4 NE 1/4 SEC. 4 UNIT B	PEARSALL FED. No. 1	5A-1
SE 1/4 NW 1/4 SEC. 4 UNIT F	SHAW FEDERAL "B" No. 1	6-1
SW 1/4 NW 1/4 SEC. 4 UNIT E	FEDERAL "A" TRACT No. 2 No. 1	4A-1

PEARSALL QUEEN SAND UNIT 1
 OLD WELL AND NEW WELL NUMBER CORRELATOR, LEA COUNTY,
 NEW MEXICO

LOCATION	FORMER LEASE OWNER	LEASE NAME	WELL No.	UNIT	UNIT WELL No.
NE/4 SE/4 SEC.	YATES PETROLEUM CORPORATION	STATE "B" No. 1	34	UNIT I	11-1
NW/4 SE/4 SEC.	YATES PETROLEUM CORPORATION	STATE "B" No. 3	34	UNIT J	12-3
NE/4 SW/4 SEC.	YATES PETROLEUM CORPORATION	STATE "B" NONE	34	UNIT K	NONE (TRACT No. 10)
SE/4 SW/4 SEC.	AMBASSADOR OIL CORPORATION	STATE "B" No. 1	34	UNIT N	15-1
SW/4 SE/4 SEC.	YATES PETROLEUM CORPORATION	STATE "B" NONE	34	UNIT O	NONE (TRACT No. 14)
SE/4 SE/4 SEC.	YATES PETROLEUM CORPORATION	STATE "B" NONE	34	UNIT P	NONE (TRACT No. 13)
NE/4 NW/4 SEC.	AMBASSADOR OIL CORPORATION	FEDERAL "FE" No. 1	5	UNIT C	2-1
NW/4 NE/4 SEC.	AMBASSADOR OIL CORPORATION	FEDERAL "BB" No. 2	5	UNIT B	3-2
NE/4 NE/4 SEC.	AMBASSADOR OIL CORPORATION	FEDERAL "BB" No. 1	5	UNIT A	3-1
SE/4 NE/4 SEC.	AMBASSADOR OIL CORPORATION	FEDERAL "CC" No. 1	5	UNIT H	1-1
SW/4 NE/4 SEC.	AMBASSADOR OIL CORPORATION	FEDERAL "CC" No. 2	5	UNIT G	1-2
SE/4 NW/4 SEC.	AMBASSADOR OIL CORPORATION	FEDERAL "Z" No. 1	5	UNIT F	7-1
NE/4 SW/4 SEC.	AMBASSADOR OIL CORPORATION	FEDERAL "FF" No. 2	5	UNIT K	2A-2
NW/4 SE/4 SEC.	AMBASSADOR OIL CORPORATION	FEDERAL "DD" No. 1	5	UNIT J	8-1
NE/4 SE/4 SEC.	AMBASSADOR OIL CORPORATION	SHAW FEDERAL No. 1	5	UNIT I	9-1
SW/4 SE/4 SEC.	AMBASSADOR OIL CORPORATION	FEDERAL "DD" NONE	5	UNIT O	NONE (TRACT No. 8)
SE/4 SW/4 SEC.	AMBASSADOR OIL CORPORATION	FEDERAL "DD" NONE	5	UNIT N	NONE (TRACT No. 8)
NW/4 NW/4 SEC.	AMBASSADOR OIL CORPORATION	FEDERAL "AA" Tr. 1 No. 1	4	UNIT D	4-1
NE/4 NW/4 SEC.	AMBASSADOR OIL CORPORATION	FEDERAL "AA" Tr. 1 No. 2	4	UNIT C	4-2
NW/4 NE/4 SEC.	JOHN M. BEARD	PEARSALL FED. No. 1	4	UNIT B	5A-1
SE/4 NW/4 SEC.	READING AND BATES, INC.	SHAW FEDERAL "B" No. 1	4	UNIT F	6-1
SW/4 NW/4 SEC.	AMBASSADOR OIL CORPORATION	FEDERAL "A" TRACT No. 2 No. 1	4	UNIT E	4A-1

11:47 AM
DEC 19 AM 11

CERTIFICATE OF UNITIZATION

25678

STATE OF NEW MEXICO
THE COUNTY OF LEA

XXXXX

KNOW ALL MEN BY THESE PRESENTS:

That AMBASSADOR OIL CORPORATION, a Delaware corporation with offices in Fort Worth, Tarrant County, Texas, does hereby CERTIFY as follows:

1. Ambassador Oil Corporation is the Unit Operator of the Pearsall Queen Sand Unit covering lands in Townships 17 & 18 South, Range 32 East, NMPM, Lea County, New Mexico. This Certificate is made pursuant to Section 22(d) of the Unit Agreement covering said unit.

2. The above described Unit Agreement, and the attending Unit Operating Agreement, were effective as of 7:00 A.M. November 1, 1964.

3a. Prior to November 1, 1964, the abovementioned Unit Agreement had been executed or ratified by more than a combined interest of 75% of the royalty interest owners in the Unit Area of said Unit, and the Unit Agreement and Unit Operating Agreement had been executed or ratified by a combined unit participation interest of more than 95% of the Working Interest Owners.

3b. The Unit Agreement was approved by the Commissioner of Public Lands of the State of New Mexico on June 22, 1964, and by the Director of the United States Geological Survey of the Department of Interior, United States of America, on October 23, 1964. A copy of the approval of each of said agencies is attached as Exhibits "A" and "B" and made a part hereof.

3c. A counterpart of the Unit Agreement was filed for record in the office of the County Clerk of Lea County, New Mexico, on October 29, 1964, and was recorded in Book 225, Page 41 of the Oil and Gas Records of said County.

4. Said Unit Agreement now bears the United States Geological Survey number 14-08-0001-8638.

EXECUTED this 11th day of November, 1964.

ATTEST:

Secretary

AMBASSADOR OIL CORPORATION

By H.R. Boston
Vice President

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

PEARSALL QUEEN SAND UNIT
LEA COUNTY, NEW MEXICO

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, the attached Agreement for the development and operation of acreage which is described within the attached Agreement, dated October 1, 1963, which has been executed or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the state, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 7-11-39, 7-11-40, 7-11-41, 7-11-47, 7-11-48, New Mexico Statutes Annotated 1953 Compilation, I, the undersigned, Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 22nd day of June 19 64.



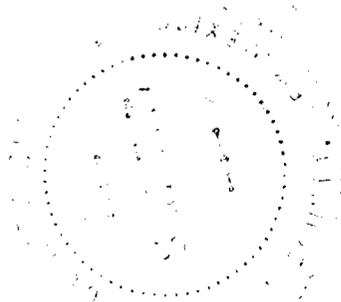
Commissioner of Public Lands
of the State of New Mexico

STATE OF NEW MEXICO
COUNTY OF LEA
FILED

EXHIBIT B

NOV 18 1964

at 9:30 o'clock a.M
and Recorded in Book 226
Page 102
JANE RICE, County Clerk
By G.H. Deputy



216573

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

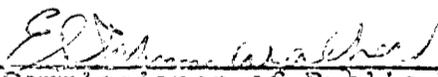
PEARSALL QUEEN SAND UNIT
LEA COUNTY, NEW MEXICO

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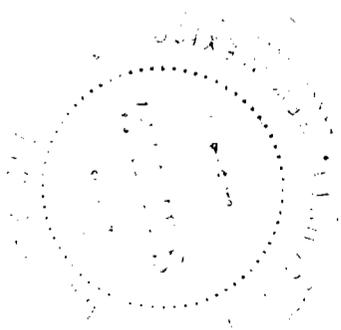

Commissioner of Public Lands
of the State of New Mexico

STATE OF NEW MEXICO
COUNTY OF LEA
FILED

EXHIBIT B

NOV 18 1964

at 9:30 o'clock a. M
and Recorded in Book 226
Page 102
JANE RICE, County Clerk
By G. H. Deputy



25678

3004

3004

MAIN OFFICE OCC

1964 JUN 22 PM 4:17

June 22, 1964

Ambassador Oil Corporation
P. O. Box 9338
Fort Worth 7, Texas

Re: Pearsall Queen Sand Unit,
Lea County, New Mexico

Attention: Mr. E. A. Riley

Gentlemen:

Pursuant to my telephone conversation with your Mr. Williams concerning approval of the Pearsall Queen Sand Unit as revised by the insertion of a new page 18.

As I stated to your Mr. Williams, I feel that this revised agreement should be ratified or agreed to by the working and royalty interest and that a verbal agreement to this revision is not sufficient. Therefore, not wishing to further delay the final approval of this unit, we are voiding our approval of June 1, 1964, and issuing new Certificates of Approval as of this date. However, we are requesting that Ambassador furnish us, at the earliest possible time, approval of this revision from each working and royalty interest who previously ratified the Pearsall Queen Sand Unit Agreement.

Ambassador Oil Corporation

June 22, 1964

-page 2-

MAIN OFFICE OCC
1964 JUN 22 PM 4:17

We are enclosing eight originally signed copies of our Certificate of Approval. Our approval of this unit is subject to the above stated requirements and is also subject to like approval by the United States Geological Survey.

Very truly yours,

H. S. JOHNNY WALKER
COMMISSIONER OF PUBLIC LANDS

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

ESJW/mmr/mim

Enclosures - 9

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

New Mexico Oil Conservation Commission
Santa Fe, New Mexico

June 2, 1964

Ambassador Oil Corporation
P. O. Box 9338
Fort Worth 7, Texas

Re: Pearsall Queen Sand Unit
Lea County, New Mexico

Attention: Mr. E. A. Riley

Gentlemen:

The Commissioner of Public Lands approved as of June 1, 1964, the Pearsall Queen Sand Unit, Lea County, New Mexico, subject to like approval by the United States Geological Survey.

This Unit Agreement was approved by the Oil Conservation Commission March 18, 1964 under Case No. 3004, Order No. R-2669 also Case No. 3005 and Order No. R-2672.

We are enclosing eight originally signed Certificates of Approval together with Official Receipt No. G-24909, in the amount of Fifteen (\$15.00) Dollars which covers the filing fee.

Ambassador Oil Corporation
Attention: Mr. E. A. Riley
June 2, 1964
- page 2 -

At such time as this Agreement is approved by the
United States Geological Survey please furnish us a
fully conformed copy.

Very truly yours,

E. S. JOHNNY WALKER
COMMISSIONER OF PUBLIC LANDS

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

ESW/mmr/v

cc:

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

Oil Conservation Commission
Santa Fe, New Mexico



ANADARKO PRODUCTION COMPANY

3109 WINTHROP AVENUE P. O. BOX 9317 FORT WORTH, TEXAS 76107
CABLE ADDRESS: ANDARK

July 14, 1967

3004

United States Department of the Interior
Geological Survey
Drawer 1851
Roswell, New Mexico 88201

Attention: Mr. Ed Wyatt

RE: Revised Exhibit "A" for
expansion of Pearsall
Queen Sand Unit, Lea
County, New Mexico to
include NE/4 SW/4
Section 4-T18S-R32E

Gentlemen:

On June 13, 1967, we submitted a letter to you along with re-
vised Exhibits "B" and "C" requesting preliminary concurrence of
the Supervisor to expand the Pearsall Queen Sand Unit, Lea County,
New Mexico to include the NE/4 SW/4 Section 4-T18S-R32E.

Revised Exhibit "A" for the expansion was not submitted with the
above material, and we are submitting same herewith so that you
may proceed with your preliminary concurrence.

Very truly yours,

ANADARKO PRODUCTION COMPANY

Original Signed By
C. W. Stumhoffer

C.W. Stumhoffer
Superintendent
Secondary Recovery Division

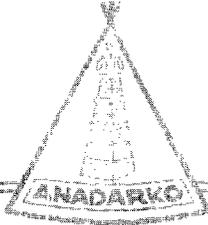
1967 JUL 17 AM 8 11

CWS/nl

Encl:

cc: Honorable Guyton B. Hays
Commissioner of Public Lands
State of New Mexico

Mr. A.L. Porter ✓
Secretary-Director
State of New Mexico Oil Conservation Commission



ANADARKO PRODUCTION COMPANY

3109 WINTHROP AVENUE P. O. BOX 9317 FORT WORTH, TEXAS 76107
CABLE ADDRESS: ANDARK

July 14, 1967

Honorable Guyton B. Hays
Commissioner of Public Lands
State of New Mexico
P.O. Box 1148
Santa Fe, New Mexico 87501

RE: Revised Exhibit "A" for
expansion of Pearsall
Queen Sand Unit, Lea
County, New Mexico to
include NE/4 SW/4
Section 4-T18S-R32E

Gentlemen:

On June 13, 1967, we submitted a letter to you along with re-
vised Exhibits "B" and "C" requesting preliminary concurrence of
the Commissioner to expand the Pearsall Queen Sand Unit, Lea County,
New Mexico to include the NE/4 SW/4 Section 4-T18S-R32E.

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above material, and we are submitting same herewith so that you
may proceed with your preliminary concurrence.

Very truly yours,

ANADARKO PRODUCTION COMPANY

Original Signed By
C. W. Stumhoffer

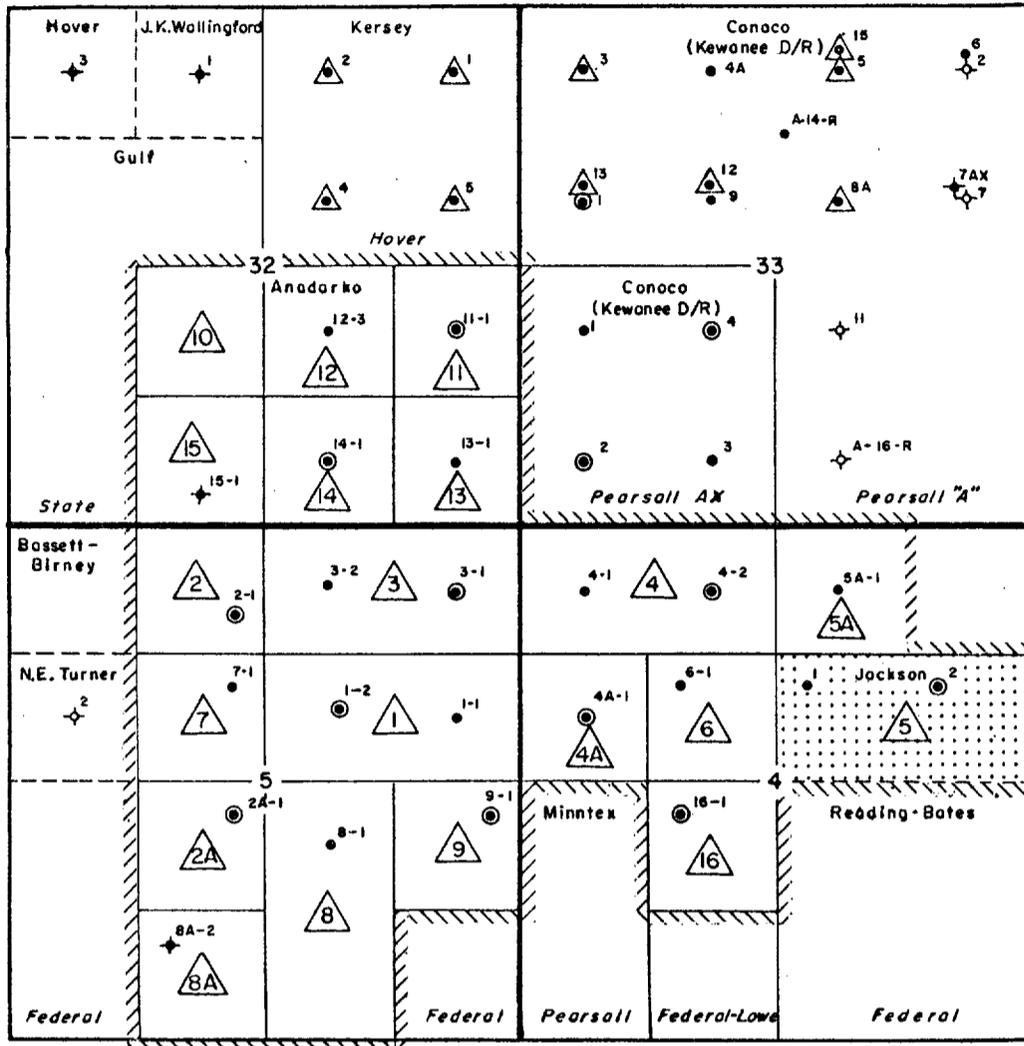
C.W. Stumhoffer
Superintendent
Secondary Recovery Division

CWS/nl

cc: United States Department of the Interior
Geological Survey

Mr. A.L. Porter ✓
Secretary-Director
State of New Mexico Oil Conservation Commission

R 32 E



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LEGEND

- - Queen
- ▲ - Grayburg
- ⊙ - Water Injection Well
- ✦ - Plugged & Abandoned
- ⋯ - Non Participating tract
- - Unit Boundary
- △ - Tract Number

EXHIBIT "A" TO UNIT AGREEMENT

PEARSALL QUEEN SAND UNIT

LEA COUNTY, NEW MEXICO





ANADARKO PRODUCTION COMPANY

3109 WINTHROP AVENUE P. O. BOX 9317 FORT WORTH, TEXAS 76107
CABLE ADDRESS: ANDARK

June 13, 1967

3004

Honorable Guyton B. Hays
Commissioner of Public Lands
State of New Mexico
P.O. Box 1148
Santa Fe, New Mexico 87501

RE: Preliminary concurrence of
Commissioner to expand Pearsall
Queen Sand Unit, Lea County,
New Mexico to include NE/4
SW/4 Section 4-T18S-R32E.

Gentlemen:

Under the provisions of Section 4 -EXPANSION of the Unit Agreement of the Pearsall Queen Sand Unit, Lea County, New Mexico, we are requesting preliminary concurrence by the Commissioner to expand the present Unit area to include the NE/4 SW/4 of Section 4-T18S-R32E, Lea County, New Mexico containing forty (40) acres more or less.

This forty-acre tract is part of an Oil and Gas Lease bearing Serial No. LC 059255 which covers the E/2 SW/4 and the S/2 SE/4 of Section 4-T18S-R32E that was acquired from Maljamar Petroleum Products, Inc. on July 20, 1966 by Anadarko Production Company as Unit Operator for the Working Interest Owners of the Pearsall Queen Sand Unit. This lease is referred to as the Federal Love.

On the tract for which admission to the Unit area is being requested, Federal Love Well No. 1 was drilled during November, 1963 by Maljamar Petroleum Products, Inc. to a total depth of 4030'. After equipping with 5½" O.D. casing set at 3879', attempts were made to complete this well in the Queen Sand through perforations from 3755'-60' and 3770'-78'. These perforations were treated with 15,000 gallons of oil and 22,000 pounds of sand.

MAIN OFFICE

'67 JUN 16 AM 8 15

Subsequent production tests indicated that this well was below the oil-water contact in the Queen sand. For this reason, Federal Love Well No. 1 has produced no primary oil.

Since Federal Love Well No. 1 is located on pattern as a water injection well with the Pearsall Queen Sand Unit Waterflood, this well is being and has been utilized for water injection into the Queen sand. Verbal approval for the conversion of this well to water injection was obtained from Geological Survey and from the State of New Mexico Oil Conservation Commission provided that this tract would be brought into the Pearsall Queen Sand Unit.

Therefore, we are submitting for your preliminary approval revised Exhibits "A", "B", and "C" to the Unit Agreement for the Pearsall Queen Sand Unit reflecting inclusion of the Federal Love Tract in the participating Unit area. To assist you in examining these revised exhibits, we are enclosing a tabulation of parameters to arrive at participation factors for each tract in the expanded Unit area.

Your early consideration of this preliminary approval request will be appreciated.

Very truly yours,

ANADARKO PRODUCTION COMPANY

Original Signed By
C. W. Stumhoffer

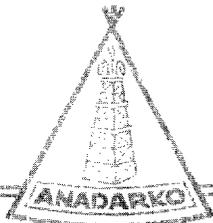
C.W. Stumhoffer
Superintendent
Secondary Recovery Division

CWS/nl

Encl:

cc: Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Department of the Interior
Geological Survey
P.O. Drawer 1851
Roswell, New Mexico 88201

Mr. A.L. Porter ✓
Secretary-Director
State of New Mexico Oil Conservation Commission
P.O. Box 2088
Santa Fe, New Mexico 87501



ANADARKO PRODUCTION COMPANY

3109 WINTHROP AVENUE P. O. BOX 9317 FORT WORTH, TEXAS 76107
CABLE ADDRESS: ANDARK

June 13, 1967

United States Department of the Interior
Geological Survey
Drawer 1851
Roswell, New Mexico 88201

Attention: Mr. John A. Anderson
Regional Oil and Gas Supervisor

RE: Preliminary concurrence of
Director to expand Pearsall
Queen Sand Unit, Lea County,
New Mexico to include NE/4
SW/4 Section 4-T18S-R32E.

Gentlemen:

Under the provisions of Section 4 -EXPANSION of the Unit Agreement of the Pearsall Queen Sand Unit, Lea County, New Mexico, we are requesting preliminary concurrence by the Director to expand the present Unit area to include the NE/4 SW/4 of Section 4-T18S-R32E, Lea County, New Mexico containing forty (40) acres more or less.

This forty-acre tract is part of an Oil and Gas Lease bearing Serial No. LC 059255 which covers the E/2 SW/4 and the S/2 SE/4 of Section 4-T18S-R32E that was acquired from Maljamar Petroleum Products, Inc. on July 20, 1966 by Anadarko Production Company as Unit Operator for the Working Interest Owners of the Pearsall Queen Sand Unit. This lease is referred to as the Federal Love.

On the tract for which admission to the Unit area is being requested, Federal Love Well No. 1 was drilled during November, 1963 by Maljamar Petroleum Products, Inc. to a total depth of 4030'. After equipping with 5½" O.D. casing set at 3879', attempts were made to complete this well in the Queen Sand through perforations from 3755'-60' and 3770'-78'. These perforations were treated with 15,000 gallons of oil and 22,000 pounds of sand.

67 JUN 16 AM 8

United States Department of the Interior
Geological Survey
Attention: Mr. John A. Anderson

Page 2
June 13, 1967

Subsequent production tests indicated that this well was below the oil-water contact in the Queen sand. For this reason, Federal Love Well No. 1 has produced no primary oil.

Since Federal Love Well No. 1 is located on pattern as a water injection well with the Pearsall Queen Sand Unit Waterflood, this well is being and has been utilized for water injection into the Queen sand. Verbal approval for the conversion of this well to water injection was obtained from your office and the State of New Mexico Oil Conservation Commission provided that this tract would be brought into the Pearsall Queen Sand Unit.

Therefore, we are submitting for your preliminary approval revised Exhibits "A", "B", and "C" to the Unit Agreement for the Pearsall Queen Sand Unit reflecting inclusion of the Federal Love Tract in the participating Unit area. To assist you in examining these revised exhibits, we are enclosing a tabulation of parameters to arrive at participation factors for each tract in the expanded Unit area.

Your early consideration of this preliminary approval request will be appreciated.

Very truly yours,

ANADARKO PRODUCTION COMPANY

Original Signed By
C. W. Stumhoffer

C.W. Stumhoffer
Superintendent
Secondary Recovery Division

CWS/nl

Encl:

cc: Honorable Guyton B. Hays
Commissioner of Public Lands
State of New Mexico
P.O. Box 1148
Santa Fe, New Mexico 87501

Mr. A.L. Porter ✓
Secretary-Director
State of New Mexico Oil Conservation Commission
P.O. Box 2088
Santa Fe, New Mexico 87501



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

IN REPLY REFER TO:

AUG 14 1967

Anadarko Production Company
P. O. Box 9317
Ft. Worth, Texas 76107

Attention: Mr. C. W. Stumboffer

Gentlemen:

Your letter of June 13 filed on June 16, 1967, with the Regional Oil and Gas Supervisor, Roswell, New Mexico, requests preliminary approval of a proposed expansion of the Pearsall Queen Sand unit area, Lea County, New Mexico.

The Pearsall Queen Sand unit agreement, No. 14-08-0001-8638, was approved on October 23, 1964, effective November 1, 1964. The agreement was formed for the purpose of conducting secondary recovery operations in the interval which includes the Queen Sand and the immediate 97 feet below as defined by Sections 2(h) and 2(i) of the unit agreement. The unit entered Phase II participation on December 1, 1965. Phase II participation in unitized substances for each originally qualified tract is based 75 percent on ultimate primary recovery, plus 12½ percent on productive acres, plus 12½ percent on usable wells. Phase II participation for the tract covering the acreage added by the proposed expansion will be on the same basis as for the originally qualified tracts.

The proposed expansion of 40 acres of Federal land described as the NE¼SW¼ sec. 4, T. 18 S., R. 32 E., N.M.P.M., will increase the Pearsall Queen Sand unit area from 961.17 acres to 1,001.17 acres, more or less. While such land is not productive in the unitized formation, its inclusion in the unit area will permit the well situated thereon to be operated as a unit injection well which should increase the ultimate recovery from the project area.

Accordingly, no objection will be offered to the proposed expansion if accomplished in accordance with the applicable provisions of Section 4 of the unit agreement within a reasonable period of time. At least five copies of the application for final approval accompanied by appropriate joinders for the new tract should be filed with the Oil and Gas Supervisor, Roswell, New Mexico, after such application has been approved by the Commissioner of Public Lands of the State of New Mexico and the New Mexico Oil Conservation Commissioner.

The format of the sample exhibits attached to the 1961 reprint of the standard form should be followed in the preparation of revised Exhibits A and B. Do not renumber existing tracts.

Sincerely yours,



Acting Director

cc:

BLM, Santa Fe
Com. Pub. Lands, Santa Fe
HMCCC, Santa Fe ✓
Roswell (2)

ERWyatt:bw:7-19-67

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

3004

JEK

October 26, 1967

Anadarko Production Company
P. O. Box 9317
Fort Worth, Texas 76107

Attention: Mr. C. W. Stumhoffer

Re: Expansion of Pearsall Queen Sand Unit,
Lea County, New Mexico

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the expansion of the Pearsall Queen Sand Unit, Lea County, New Mexico, to include the NE/4 NW/4 of Section 4, Township 18 South, Range 32 East, NMPM, as Tract 16, 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 being forwarded to the Commissioner of Public Lands, one approved copy is being forwarded to the United States Geological Survey, Roswell, New Mexico, and two approved copies are returned herewith.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/JEK/og

cc: Commissioner of Public Lands
Santa Fe, New Mexico

United States Geological Survey
Drawer 1857
Roswell, New Mexico 88201

COPY

APPLICATION
FOR APPROVAL OF UNIT EXPANSION
PEARSALL QUEEN SAND UNIT

Director,
United States Geological Survey
c/o Regional Oil and Gas Supervisor
P. O. Box 1857
Roswell, New Mexico

The Honorable Guyton Hays
Commissioner of Public Lands
P. O. Box 791
Santa Fe, New Mexico

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico
Attention: Mr. A. L. Porter, Jr.
Secretary-Director

Gentlemen:

Anadarko Production Company, as Operator of the Pearsall Queen Sand Unit, hereby requests approval to expand the Pearsall Queen Sand Unit by adding thereto Tract No. 16, Anadarko Production Company, et al Federal Love Lease (Serial No. LC 059255) consisting of the NE/4 SW/4 Section 4, T-18S, R-32E, Lea County, New Mexico. Said expansion is proposed to be accomplished under the provisions of Section 4 of the Pearsall Queen Sand Unit Agreement that was effective November 1, 1964. The procedures outlined by said Unit Agreement have been carried out as follows:

1. Anadarko Production Company purchased the operating rights to a depth of 5,000 feet in and to Federal Lease LC 059255 covering the NE/4 of SW/4 Section 4, T-18S, R-32E, Lea County, New Mexico for the account of the Working Interest Owners of the Pearsall Queen Sand Unit for the purpose of utilizing the old well located thereon and formerly known as the Maljamar Petroleum Products, Inc. Federal Love No. 1 Well as an injection well for the Unit. An assignment of said operating rights has been made by Anadarko Production Company to the present Working Interest Owners of the Pearsall Queen Sand Unit in proportion to their present fractional ownership in the Unit and said Assignment of operating rights has been approved by the Bureau of Land Management. A letter ballot dated September 1, 1967 was submitted to

the Working Interest Owners of the Pearsall Queen Sand Unit, soliciting their approval of the Expansion of the Unit to include Tract 16 above described, and 100% of said Working Interest Owners have approved said Expansion.

2. Preliminary concurrence of the proposed expansion was given on June 14, 1967 by the Commissioner of Public Lands, and on August 14, 1967 by the Director of the United States Geological Survey.
3. A Notice of the Proposed Expansion of the Pearsall Queen Sand Unit, Lea County, New Mexico dated September 1, 1967 was mailed on said date to the Commissioner, the Supervisor, each Working Interest Owner, Overriding Royalty Interest Owner, Lessee, and Lessor of the Unit and of Tract 16 herein described. Copies of the Notice of Proposed Expansion are enclosed.
4. Since the mailing of said Notice of Proposed Expansion more than 30 days have elapsed and no objection to the Proposed Expansion has been received.
5. Joinders of Working Interest Owners under Tract 16 above described should not be necessary in this case since said owners are identical to the Working Interest Owners of the Unit.

In addition to the attachments described above, there is furnished here- with (1) revised Exhibit A showing revised Unit boundary and tract designation, (2) revised Exhibit B showing relevant data on all tracts within the expanded unit area and (3) revised Exhibit C showing participation of each Working Interest Owner in the expanded Unit.

As stated in the aforementioned Notice of Intent To Expand the Pearsall Queen Sand Unit, the proposed effective date of Expansion is October 1, 1967 which is the first day of the month subsequent to the Notice.

Wherefore, Anadarko Production Company respectfully requests approval of the expansion of the Pearsall Queen Sand Unit as outlined above.

Respectfully submitted,
Approved *Oct. 26* 19 *67* *C. W. Stumhoffer*
[Signature]
CWS/hb
Secretary-Director C. W. Stumhoffer
Superintendent
Secondary Recovery Division

NEW MEXICO OIL CONSERVATION COMMISSION

THIS APPROVAL GRANTED SUBJECT TO LINE APPROVAL
BEING GRANTED BY THE UNITED STATES GEOLOGICAL
SURVEY AND BY THE COMMISSIONER OF PUBLIC LANDS
OF THE STATE OF NEW MEXICO.



ANADARKO PRODUCTION COMPANY

3109 WINTHROP AVENUE P. O. BOX 9317 FORT WORTH, TEXAS 76107
CABLE ADDRESS: ANADARK

September 1, 1967

To: Working Interest Owners
Pearsall Queen Sand Unit
Lea County, New Mexico

Pearsall Queen Sand Unit
Lea County, New Mexico

Gentlemen:

The Working Interest Owners of the Pearsall Queen Sand Unit, Lea County, New Mexico acquired, in the same proportions as their present ownership in said Unit, the Operating Rights in and to Federal Lease LC 059255 to a depth of 5,000 feet from surface, insofar as said lease covers the NE/4 SW/4 Section 4, Township 18 South, Range 32 East, Lea County, New Mexico.

The Working Interest Owners of the Pearsall Queen Sand Unit desire to expand said Unit to include said NE/4 SW/4 Section 4, 18 South, Range 32 East in order to use the well thereon as an Injection Well for the Unit. It is proposed to allocate to said tract, which is to be numbered Tract 16 of the Unit, a Unit participation of 1.278772%.

It is proposed that the Unit be expanded to include said tract of land in accordance with Section 4 of the Unit Agreement which requires the approval of 90% of the Working Interest Owners. We will appreciate it if you will indicate your approval of the expansion of the Unit to include the additional 40 acre tract on the basis herein proposed by signing and returning to us the extra copy of this letter so indicating.

Very truly yours,

Anadarko Production Company

C. W. Stumhoffer

C. W. Stumhoffer
Superintendent
Secondary Recovery Division

CWS/JF/hb

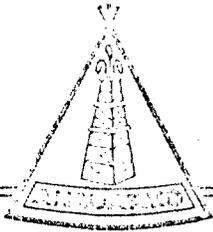
APPROVED:

Company Anadarko Production Company

By *C. W. Stumhoffer*

Superintendent Secondary Recovery Div.

Date September 5, 1967



ANADARKO PRODUCTION COMPANY

3109 WINTHROP AVENUE P. O. BOX 9317 FORT WORTH, TEXAS 76107
CABLE ADDRESS: ANADARK

September 1, 1967

To: Working Interest Owners
Pearsall Queen Sand Unit
Lea County, New Mexico

Pearsall Queen Sand Unit
Lea County, New Mexico

Gentlemen:

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Very truly yours,

Anadarko Production Company

C. W. Stumhoffer

C. W. Stumhoffer
Superintendent
Secondary Recovery Division

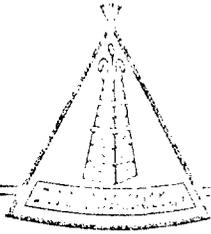
CWS/JF/hb

APPROVED:

Company *Lawrence & Anderson*

By *K. V. Hall*

Date *Sept 25, 67*



ANADARKO PRODUCTION COMPANY

3109 WINTHROP AVENUE P. O. BOX 9317 FORT WORTH, TEXAS 76107
CABLE ADDRESS: ANDARK

September 1, 1967

To: Working Interest Owners
Pearsall Queen Sand Unit
Lea County, New Mexico

Pearsall Queen Sand Unit
Lea County, New Mexico

Gentlemen:

The Working Interest Owners of the Pearsall Queen Sand Unit, Lea County, New Mexico acquired, in the same proportions as their present ownership in said Unit, the Operating Rights in and to Federal Lease LC 059255 to a depth of 5,000 feet from surface, insofar as said lease covers the NE/4 SW/4 Section 4, Township 18 South, Range 32 East, Lea County, New Mexico.

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Very truly yours,

Anadarko Production Company

C. W. Stumhoffer
Superintendent
Secondary Recovery Division

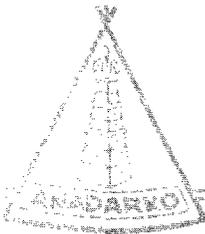
CWS/JF/hb

APPROVED:

Company _____

By _____

Date Sept 25, 67



ANADARKO PRODUCTION COMPANY

3109 WINTHROP AVENUE P. O. BOX 9317 FORT WORTH, TEXAS 76107

CABLE ADDRESS: ANDARK

September 1, 1967

To: Working Interest Owners
Pearsall Queen Sand Unit
Lea County, New Mexico

Pearsall Queen Sand Unit
Lea County, New Mexico

Gentlemen:

The Working Interest Owners of the Pearsall Queen Sand Unit, Lea County, New Mexico acquired, in the same proportions as their present ownership in said Unit, the Operating Rights in and to Federal Lease LC 059255 to a depth of 5,000 feet from surface, insofar as said lease covers the NE/4 SW/4 Section 4, Township 18 South, Range 32 East, Lea County, New Mexico.

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Anadarko Production Company

C. W. Stumhoffer

C. W. Stumhoffer
Superintendent
Secondary Recovery Division

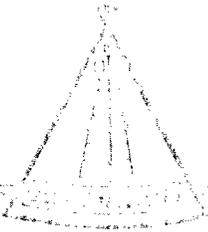
CWS/JF/hb

APPROVED:

Company *Anadarko*

By *W. M. Beard*

Date *9-5-67*



ANADARKO PRODUCTION COMPANY

3109 WEST HARRIS AVENUE P. O. BOX 9317 FORT WORTH, TEXAS 76107

CABLE ADDRESS: ANDARK

September 1, 1967

To: Working Interest Owners
Pearsall Queen Sand Unit
Lea County, New Mexico

Pearsall Queen Sand Unit
Lea County, New Mexico

Gentlemen:

The Working Interest Owners of the Pearsall Queen Sand Unit, Lea County, New Mexico acquired, in the same proportions as their present ownership in said Unit, the Operating Rights in and to Federal Lease LC 059255 to a depth of 5,000 feet from surface, insofar as said lease covers the NE/4 SW/4 Section 4, Township 18 South, Range 32 East, Lea County, New Mexico.

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Very truly yours,

Anadarko Production Company

C. W. Stumhoffer

C. W. Stumhoffer
Superintendent
Secondary Recovery Division

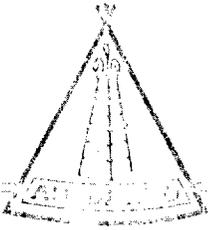
CWS/JF/hb

APPROVED:

Company DIXON & YATES OIL COMPANY

By *J. B. Yates*
Partner

Date Sept. 14, 1967



A N A D A R K O P R O D U C T I O N C O M P A N Y

3109 WINTHROP AVENUE P. O. BOX 9317 FORT WORTH, TEXAS 76107
CABLE ADDRESS: ANOARK

September 1, 1967

To: Working Interest Owners
Pearsall Queen Sand Unit
Lea County, New Mexico

Pearsall Queen Sand Unit
Lea County, New Mexico

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Very truly yours,

Anadarko Production Company

C. W. Stumhoffer

C. W. Stumhoffer
Superintendent
Secondary Recovery Division

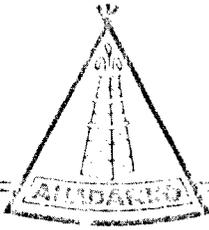
CWS/JF/hb

APPROVED:

Company F. W. Hollaway Jr

By F. W. Hollaway Jr

Date September 25 1967



ANADARKO PRODUCTION COMPANY

3109 WINTHROP AVENUE P. O. BOX 9317 FORT WORTH, TEXAS 76107
CABLE ADDRESS: ANDARK

September 1, 1967

To: Working Interest Owners
Pearsall Queen Sand Unit
Lea County, New Mexico

Pearsall Queen Sand Unit
Lea County, New Mexico

Gentlemen:

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C. W. Stumhoffer

C. W. Stumhoffer
Superintendent
Secondary Recovery Division

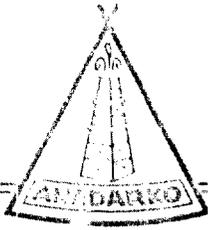
CWS/JF/hb

APPROVED:

Company Minutex Oil Company

By *[Signature]* Pres

Date September 25, 1967



ANADARKO PRODUCTION COMPANY

3109 WINTHROP AVENUE P. O. BOX 9317 FORT WORTH, TEXAS 76107
CABLE ADDRESS: ANDARK

September 1, 1967

To: Working Interest Owners
Pearsall Queen Sand Unit
Lea County, New Mexico

Pearsall Queen Sand Unit
Lea County, New Mexico

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Very truly yours,

Anadarko Production Company

C. W. Stumhoffer

C. W. Stumhoffer
Superintendent
Secondary Recovery Division

CWS/JF/hb

APPROVED:

Company Working Interest Owners

By E. P. D. Johnson

Date 9-20-1967



ANADARKO PRODUCTION COMPANY

3109 WINTHROP AVENUE P. O. BOX 9317 FORT WORTH, TEXAS 76107
CABLE ADDRESS: ANDARK

September 1, 1967

To: Working Interest Owners
Pearsall Queen Sand Unit
Lea County, New Mexico

Pearsall Queen Sand Unit
Lea County, New Mexico

Gentlemen:

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C. W. Stumhoffer

C. W. Stumhoffer
Superintendent
Secondary Recovery Division

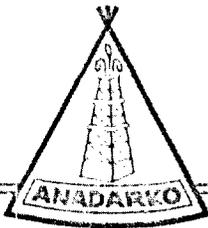
CWS/JF/hb

APPROVED:

Company Reading & Bates, Inc.

By *Bill M. Bunker*

Date September 8, 1967



ANADARKO PRODUCTION COMPANY

3109 WINTHROP AVENUE P. O. BOX 9317 FORT WORTH, TEXAS 76107
CABLE ADDRESS: ANDARK

September 1, 1967

To: Working Interest Owners
Pearsall Queen Sand Unit
Lea County, New Mexico

Pearsall Queen Sand Unit
Lea County, New Mexico

Gentlemen:

The Working Interest Owners of the Pearsall Queen Sand Unit, Lea County, New Mexico acquired, in the same proportions as their present ownership in said Unit, the Operating Rights in and to Federal Lease LC 059255 to a depth of 5,000 feet from surface, insofar as said lease covers the NE/4 SW/4 Section 4, Township 18 South, Range 32 East, Lea County, New Mexico.

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Very truly yours,

Anadarko Production Company

C. W. Stumhoffer

C. W. Stumhoffer
Superintendent
Secondary Recovery Division

CWS/JF/hb

APPROVED:

Company YATES PETROLEUM CORPORATION

By *S. P. Yates*
President

Date Sept. 14, 1967

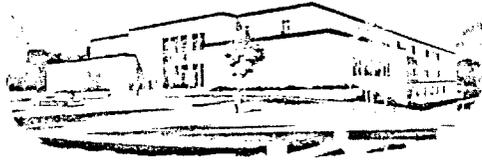
APPROVED:

S. P. Yates
S. P. YATES

Date: Sept. 14, 1967

State of New Mexico

3004



Commissioner of Public Lands

GUYTON B. HAYS
COMMISSIONER



P. O. BOX 1148
SANTA FE, NEW MEXICO

October 16, 1967

Anadarko Production Company
P. O. Box 9317
Fort Worth, Texas, 76107

Re: Final Approval of the
Expansion to the Pearsall
Queen Sand Unit,
Lea County, New Mexico

ATTENTION: Mr. C. W. Stumhoffer

Gentlemen:

The Commissioner of Public lands has this date given final approval to the Expansion of the Pearsall Queen Sand Unit, Lea County, New Mexico, to include Tract 16, which covers the NE/4SW/4 of Section 4, Township 18 South, Range 32 East of Federal land, this approval being subject to like approval by the United States Geological Survey and the New Mexico Oil Conservation Commission.

As per your request we are furnishing one approved copy to the Director, United States Geological Survey and one approved copy to the Oil Conservation Commission, also two approved copies to you with certificates of approval attached.

Please remit a Five (\$5.00) Dollar filing fee for the filing of these documents.

Exhibits A, B. and C revised have also been accepted by this office effective October 1, 1967.

SEP 17 1967

Anadarko Production Company
Pearsall Queen Sand Unit
October 16, 1967
Page 2.

Very truly yours,

GUYTON B. HAYS
COMMISSIONER OF PUBLIC LANDS

BY:
Ted Bilberry, Director
Oil and Gas Department

CBH/TE/EL/s
encls.

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

Anadarko Production Company
P. O. Box 9317
Fort Worth, Texas

October 4, 1967

Director
United States Geological Survey
Drawer 1057
Roswell, New Mexico

Expansion of Pearsall Queen Sand Unit
to include Tract 16 - Anadarko Production
Company at al Federal Love Lease
NE/4 SW/4 Section 4, T-18S, R-32E
Lea County, New Mexico

Dear Sir:

Enclosed for your approval are eight (8) copies of an Application for Expansion of the Pearsall Queen Sand Unit area to include Tract 16 above described. We will appreciate it if you will furnish one approved copy to the Oil Conservation Commission and one approved copy to the Commissioner of Public Lands and two approved copies to Anadarko Production Company.

We are submitting this Application for Expansion to the Commissioner of Public Lands and the Oil Conservation Commission for their approval and are requesting that each send an approved copy direct to your office.

A Notice of the proposed Expansion of the Unit area for the Pearsall Queen Sand Unit was mailed on September 1, 1967 to the Supervisor, the Commissioner, each Working Interest Owner and Overriding Royalty Interest Owner in the Unit and in Tract 16 above described. Thirty days have elapsed since the mailing of said Notice and no objections to the proposed Expansion have been received.

The ownership of the Working Interest in said Tract 16 is identical to the present Working Interest Ownership of the Pearsall

Page #2
Director
United States Geological Survey

Queen Sand Unit. One hundred percent of the Working Interest Owners of Tract 16, above described, have approved said Expansion of the Unit area, and we enclose herewith copies of our letters of September 1, 1967 whereon the Working Interest Owners have so approved. The royalty under Tract 16 is owned by the United States of America, and the only other outstanding interest is a 1% overriding royalty, the owner of which we have not been able to locate to solicit joinder to the Unit.

Four copies of the Pearsall Queen Sand Unit Agreement Exhibits A, B, and C revised on June 1, 1967 to become effective October 1, 1967 are enclosed for your file.

Should you require additional data please advise.

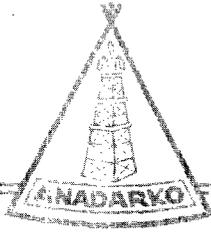
Very truly yours,
Original Signed By
C. W. Stumhoffer

C. W. Stumhoffer
Superintendent
Secondary Recovery Division

CWS/hb

bcc:
Oil Conservation Commission ✓
State of New Mexico
P. O. Box 2088
Santa Fe, New Mexico

Commissioner of Public Lands
State of New Mexico
P. O. Box 1148
Santa Fe, New Mexico



ANADARKO PRODUCTION COMPANY

3109 WINTHROP AVENUE P. O. BOX 9317 FORT WORTH, TEXAS 76107

CABLE ADDRESS: ANDARK

October 4, 1967

Commissioner of Public Lands
State of New Mexico
P. O. Box 1148
Santa Fe, New Mexico

Expansion of Pearsall Queen Sand Unit
to include Tract 16 - Anadarko Production
Company et al Federal Love Lease
NE/4 SW/4 Section 4, T-18S, R-32E
Lea County, New Mexico

Gentlemen:

Enclosed for your approval are six (6) copies of an Application for Expansion of the Pearsall Queen Sand Unit area to include Tract 16 above described. We will appreciate it if you will furnish one approved copy to the Director, United States Geological Survey and one approved copy to the Oil Conservation Commission, and two approved copies to Anadarko Production Company.

We are submitting this Application for Expansion to the Director, United States Geological Survey and the Oil Conservation Commission for their approval, and are requesting that each send an approved copy direct to your office.

A Notice of the proposed Expansion of the Unit area for the Pearsall Queen Sand Unit was mailed on September 1, 1967 to the Supervisor, the Commissioner, each Working Interest Owner and Overriding Royalty Interest Owner in the Unit and in Tract 16 above described. Thirty days have elapsed since the mailing of said Notice and no objections to the proposed Expansion have been received.

The ownership of the Working Interest in said Tract 16 is identical to the present Working Interest Ownership of the Pearsall

AFFIDAVIT OF MAILING

C. W. Stumhoffer, of lawful age, being first duly sworn, deposes and says:

That on September 1, 1967, he mailed a copy of the attached Notice of Proposed Change of Area to each of the lessors and lessees affected in the Pearsall Queen Sand Unit, Lea County, New Mexico, at their last known address, by depositing said notice in the United States Mail with postage thereon fully paid. A copy of said Notice was also likewise mailed to the lessors and lessees affected in the NE/4 SW/4 Section 4, 18S, 32E, Lea County, New Mexico.

Dated October 6, 1967

C. W. Stumhoffer

Subscribed and sworn to before me this 6th day of October, 1967.

Hazel Bird

Notary Public in and for Tarrant County,
Texas

My Commission Expires:

NOTICE OF PROPOSED CHANGE OF AREA
PEARSALL QUEEN SAND UNIT
LEA COUNTY, NEW MEXICO

September 1, 1967

Working Interest Owners
Overriding Royalty Interest Owners
Commissioner of Public Land of
The State of New Mexico
Supervisor, United States Geological
Survey

Ninety percent of the Working Interest Owners of the Pearsall Queen Sand Unit, Lea County, New Mexico have agreed, in accordance with Section 4 of the Unit Agreement, to expand said Unit to include the Operating Rights in and to Federal Lease LC 059255, to a depth of 5,000 feet from the surface, insofar as said lease covers NE/4 SW/4 Section 4, 18 South, 32 East, Lea County, New Mexico. Said Working Interest Owners are the owners of said operating rights in the same proportions as their present ownership of said Unit.

There is located on the NE/4 SW/4 of said Section 4, an old well known as Maljamar Petroleum's No. 1 Federal Love. It is most desirable for said 40 acre tract to be included in the Unit in order that the old well may be used as a water injection well for the Unit.

The basis of participation in the Unit for said 40 acres was determined in accordance with the Phase II Tract Participation Formula in Section 12 of the Unit Agreement.

$$\frac{1}{8} \times \frac{\text{Tract Productive Surface Acres}}{\text{Total Unit Productive Surface Acres}} = \frac{40}{920} \times 100 \text{ plus}$$

$$\frac{1}{8} \times \frac{\text{Tract Usable Wells}}{\text{Total Unit Usable Wells}} = \frac{1}{17} \times 100 = 1.278772\%$$

You are hereby notified that thirty days from the date hereof will be allowed for submission to the Unit Operator of any objection for this proposed expansion.

The proposed effective date of expansion is October 1, 1967 which is the first day of the month subsequent to this notice.

The 40 acre tract to be added to the Unit will be assigned Tract No. 16 in the Unit.

Very truly yours,

ANADARKO PRODUCTION COMPANY

By C. W. Stumhoffer
C. W. Stumhoffer
Superintendent
Secondary Recovery Division

Pursuant to the authority vested in the Commissioner of Public Lands of the State of New Mexico by Act of the Legislature (Chap. 88, Laws 1943), the foregoing Application for Expansion of the Pearsall Queen Sand Unit Area is hereby approved. Such expansion shall be effective October 1, 1967, which is the first day of the month subsequent to the notice.

DATE October 16, 1967


COMMISSIONER OF PUBLIC LANDS
STATE OF NEW MEXICO

10-17-67

APPLICATION
FOR APPROVAL OF UNIT EXPANSION
PEARSALL QUEEN SAND UNIT

RECEIVED
OCT 9 10 04 AM '67
STATE LAND OFFICE
SANTA FE, N. M.

Director,
United States Geological Survey
c/o Regional Oil and Gas Supervisor
P. O. Box 1857
Roswell, New Mexico

The Honorable Guyton Hays
Commissioner of Public Lands
P. O. Box 791
Santa Fe, New Mexico

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico
Attention: Mr. A. L. Porter, Jr.
Secretary-Director

Gentlemen:

Anadarko Production Company, as Operator of the Pearsall Queen Sand Unit, hereby requests approval to expand the Pearsall Queen Sand Unit by adding thereto Tract No. 16, Anadarko Production Company, et al Federal Love Lease (Serial No. LC 059255) consisting of the NE/4 SW/4 Section 4, T-18S, R-32E, Lea County, New Mexico. Said expansion is proposed to be accomplished under the provisions of Section 4 of the Pearsall Queen Sand Unit Agreement that was effective November 1, 1964. The procedures outlined by said Unit Agreement have been carried out as follows:

1. Anadarko Production Company purchased the operating rights to a depth of 5,000 feet in and to Federal Lease LC 059255 covering the NE/4 of SW/4 Section 4, T-18S, R-32E, Lea County, New Mexico for the account of the Working Interest Owners of the Pearsall Queen Sand Unit for the purpose of utilizing the old well located thereon and formerly known as the Maljamar Petroleum Products, Inc. Federal Love No. 1 Well as an injection well for the Unit. An assignment of said operating rights has been made by Anadarko Production Company to the present Working Interest Owners of the Pearsall Queen Sand Unit in proportion to their present fractional ownership in the Unit and said Assignment of operating rights has been approved by the Bureau of Land Management. A letter ballot dated September 1, 1967 was submitted to

Page #2

Application for Approval of Unit
Expansion - Pearsall Queen Sand
Unit, Lea County, New Mexico

RECEIVED

OCT 9 10 04 AM '67

STATE LAND OFFICE
SANTA FE, N. M.

the Working Interest Owners of the Pearsall Queen Sand Unit, soliciting their approval of the Expansion of the Unit to include Tract 16 above described, and 100% of said Working Interest Owners have approved said Expansion.

2. Preliminary concurrence of the proposed expansion was given on June 14, 1967 by the Commissioner of Public Lands, and on August 14, 1967 by the Director of the United States Geological Survey.
3. A Notice of the Proposed Expansion of the Pearsall Queen Sand Unit, Lea County, New Mexico dated September 1, 1967 was mailed on said date to the Commissioner, the Supervisor, each Working Interest Owner, Overriding Royalty Interest Owner, Lessee, and Lessor of the Unit and of Tract 16 herein described. Copies of the Notice of Proposed Expansion are enclosed.
4. Since the mailing of said Notice of Proposed Expansion more than 30 days have elapsed and no objection to the Proposed Expansion has been received.
5. Joinders of Working Interest Owners under Tract 16 above described should not be necessary in this case since said owners are identical to the Working Interest Owners of the Unit.

In addition to the attachments described above, there is furnished here- with (1) revised Exhibit A showing revised Unit boundary and tract designation, (2) revised Exhibit B showing relevant data on all tracts within the expanded unit area and (3) revised Exhibit C showing participation of each Working Interest Owner in the expanded Unit.

As stated in the aforementioned Notice of Intent To Expand the Pearsall Queen Sand Unit, the proposed effective date of Expansion is October 1, 1967 which is the first day of the month subsequent to the Notice.

Wherefore, Anadarko Production Company respectfully requests approval of the expansion of the Pearsall Queen Sand Unit as outlined above.

Respectfully submitted,

C. W. Stumhoffer

C. W. Stumhoffer
Superintendent
Secondary Recovery Division

CWS/hb



ANADARKO PRODUCTION COMPANY

3109 WINTHROP AVENUE P. O. BOX 9317 FORT WORTH, TEXAS 76107
CABLE ADDRESS: ANDARK

September 1, 1967

To: Working Interest Owners
Pearsall Queen Sand Unit
Lea County, New Mexico

Pearsall Queen Sand Unit
Lea County, New Mexico

RECEIVED
OCT 9 10 12 AM '67
STATE LAND OFFICE
SANTA FE, N.M.

Gentlemen:

The Working Interest Owners of the Pearsall Queen Sand Unit, Lea County, New Mexico acquired, in the same proportions as their present ownership in said Unit, the Operating Rights in and to Federal Lease LC 059255 to a depth of 5,000 feet from surface, insofar as said lease covers the NE/4 SW/4 Section 4, Township 18 South, Range 32 East, Lea County, New Mexico.

The Working Interest Owners of the Pearsall Queen Sand Unit desire to expand said Unit to include said NE/4 SW/4 Section 4, 18 South, Range 32 East in order to use the well thereon as an Injection Well for the Unit. It is proposed to allocate to said tract, which is to be numbered Tract 16 of the Unit, a Unit participation of 1.278772%.

It is proposed that the Unit be expanded to include said tract of land in accordance with Section 4 of the Unit Agreement which requires the approval of 90% of the Working Interest Owners. We will appreciate it if you will indicate your approval of the expansion of the Unit to include the additional 40 acre tract on the basis herein proposed by signing and returning to us the extra copy of this letter so indicating.

Very truly yours,

Anadarko Production Company

C. W. Stumhoffer

C. W. Stumhoffer
Superintendent
Secondary Recovery Division

CWS/JF/hb

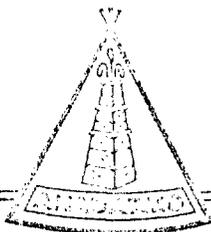
APPROVED:

Company Anadarko Production Company

By *C. W. Stumhoffer*

Superintendent Secondary Recovery Div.

Date September 5, 1967



ANADARKO PRODUCTION COMPANY

3109 WINTHROP AVENUE P. O. BOX 9317 FORT WORTH, TEXAS 76107
CABLE ADDRESS: ANDARK

September 1, 1967

To: Working Interest Owners
Pearsall Queen Sand Unit
Lea County, New Mexico

Pearsall Queen Sand Unit
Lea County, New Mexico

RECEIVED
OCT 9 10 12 AM '67
STATE LAND OFFICE
SANTA FE, N.M.

Gentlemen:

The Working Interest Owners of the Pearsall Queen Sand Unit, Lea County, New Mexico acquired, in the same proportions as their present ownership in said Unit, the Operating Rights in and to Federal Lease LC 059255 to a depth of 5,000 feet from surface, insofar as said lease covers the NE/4 SW/4 Section 4, Township 18 South, Range 32 East, Lea County, New Mexico.

The Working Interest Owners of the Pearsall Queen Sand Unit desire to expand said Unit to include said NE/4 SW/4 Section 4, 18 South, Range 32 East in order to use the well thereon as an Injection Well for the Unit. It is proposed to allocate to said tract, which is to be numbered Tract 16 of the Unit, a Unit participation of 1.278772%.

It is proposed that the Unit be expanded to include said tract of land in accordance with Section 4 of the Unit Agreement which requires the approval of 90% of the Working Interest Owners. We will appreciate it if you will indicate your approval of the expansion of the Unit to include the additional 40 acre tract on the basis herein proposed by signing and returning to us the extra copy of this letter so indicating.

Very truly yours,

OCT 17 1967

Anadarko Production Company

C. W. Stumhoffer

C. W. Stumhoffer
Superintendent
Secondary Recovery Division

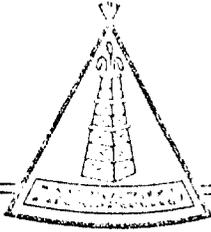
CWS/JF/hb

APPROVED:

Company *Lea County Oil & Gas*

By *K. V. Hall*

Date *Sept 25, 67*



ANADARKO PRODUCTION COMPANY

3109 WINTHROP AVENUE P. O. BOX 9317 FORT WORTH, TEXAS 76107
CABLE ADDRESS: ANDARK

September 1, 1967

To: Working Interest Owners
Pearsall Queen Sand Unit
Lea County, New Mexico

Pearsall Queen Sand Unit
Lea County, New Mexico

Gentlemen:

The Working Interest Owners of the Pearsall Queen Sand Unit, Lea County, New Mexico acquired, in the same proportions as their present ownership in said Unit, the Operating Rights in and to Federal Lease LC 059255 to a depth of 5,000 feet from surface, insofar as said lease covers the NE/4 SW/4 Section 4, Township 18 South, Range 32 East, Lea County, New Mexico.

The Working Interest Owners of the Pearsall Queen Sand Unit desire to expand said Unit to include said NE/4 SW/4 Section 4, 18 South, Range 32 East in order to use the well thereon as an Injection Well for the Unit. It is proposed to allocate to said tract, which is to be numbered Tract 16 of the Unit, a Unit participation of 1.278772%.

It is proposed that the Unit be expanded to include said tract of land in accordance with Section 4 of the Unit Agreement which requires the approval of 90% of the Working Interest Owners. We will appreciate it if you will indicate your approval of the expansion of the Unit to include the additional 40 acre tract on the basis herein proposed by signing and returning to us the extra copy of this letter so indicating.

Very truly yours,

Anadarko Production Company

C. W. Stumhoffer

C. W. Stumhoffer
Superintendent
Secondary Recovery Division

CWS/JF/hb

APPROVED:

Company *[Signature]*

By *[Signature]*

Date Sept 25, 67



ANADARKO PRODUCTION COMPANY

3109 WINTHROP AVENUE P. O. BOX 9317 FORT WORTH, TEXAS 76107
CABLE ADDRESS: ANDARK

September 1, 1967

RECEIVED
OCT 9 10 12 AM '67
STATE LAND OFFICE
SANTA FE, N.M.

To: Working Interest Owners
Pearsall Queen Sand Unit
Lea County, New Mexico

Pearsall Queen Sand Unit
Lea County, New Mexico

Gentlemen:

The Working Interest Owners of the Pearsall Queen Sand Unit, Lea County, New Mexico acquired, in the same proportions as their present ownership in said Unit, the Operating Rights in and to Federal Lease LC 059255 to a depth of 5,000 feet from surface, insofar as said lease covers the NE/4 SW/4 Section 4, Township 18 South, Range 32 East, Lea County, New Mexico.

The Working Interest Owners of the Pearsall Queen Sand Unit desire to expand said Unit to include said NE/4 SW/4 Section 4, 18 South, Range 32 East in order to use the well thereon as an Injection Well for the Unit. It is proposed to allocate to said tract, which is to be numbered Tract 16 of the Unit, a Unit participation of 1.278772%.

It is proposed that the Unit be expanded to include said tract of land in accordance with Section 4 of the Unit Agreement which requires the approval of 90% of the Working Interest Owners. We will appreciate it if you will indicate your approval of the expansion of the Unit to include the additional 40 acre tract on the basis herein proposed by signing and returning to us the extra copy of this letter so indicating.

Very truly yours,

Anadarko Production Company

C. W. Stumhoffer

C. W. Stumhoffer
Superintendent
Secondary Recovery Division

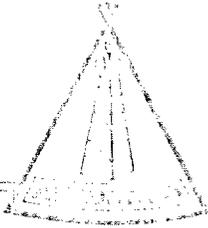
CWS/JF/hb

APPROVED:

Company *Anadarko*

By *W. M. Beach*

Date *9-5-67*



ANADARKO PRODUCTION COMPANY

3109 WINIFRED AVENUE P. O. BOX 9317 FORT WORTH, TEXAS 76107

CABLE ADDRESS: ANDARK

September 1, 1967

To: Working Interest Owners
Pearsall Queen Sand Unit
Lea County, New Mexico

Pearsall Queen Sand Unit
Lea County, New Mexico

RECEIVED
OCT 9 10 13 AM '67
STATE LAND OFFICE
SANTA FE, N.M.

Gentlemen:

The Working Interest Owners of the Pearsall Queen Sand Unit, Lea County, New Mexico acquired, in the same proportions as their present ownership in said Unit, the Operating Rights in and to Federal Lease LC 059255 to a depth of 5,000 feet from surface, insofar as said lease covers the NE/4 SW/4 Section 4, Township 18 South, Range 32 East, Lea County, New Mexico.

The Working Interest Owners of the Pearsall Queen Sand Unit desire to expand said Unit to include said NE/4 SW/4 Section 4, 18 South, Range 32 East in order to use the well thereon as an Injection Well for the Unit. It is proposed to allocate to said tract, which is to be numbered Tract 16 of the Unit, a Unit participation of 1.278772%.

It is proposed that the Unit be expanded to include said tract of land in accordance with Section 4 of the Unit Agreement which requires the approval of 90% of the Working Interest Owners. We will appreciate it if you will indicate your approval of the expansion of the Unit to include the additional 40 acre tract on the basis herein proposed by signing and returning to us the extra copy of this letter so indicating.

Very truly yours,

Anadarko Production Company

C. W. Stumhoffer

OCT 17 1967

C. W. Stumhoffer
Superintendent
Secondary Recovery Division

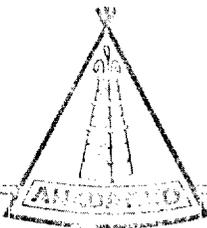
CWS/JF/hb

APPROVED:

Company DIXON & YATES OIL COMPANY

By *J. B. Yates*
Partner

Date Sept. 14, 1967



ANADARKO PRODUCTION COMPANY

3109 WINTHROP AVENUE P. O. BOX 9317 FORT WORTH, TEXAS 76107
CABLE ADDRESS: ANDARK

September 1, 1967

RECEIVED
OCT 9 10 13 AM '67
STATE LAND OFFICE
SANTA FE, N.M.

To: Working Interest Owners
Pearsall Queen Sand Unit
Lea County, New Mexico

Pearsall Queen Sand Unit
Lea County, New Mexico

Gentlemen:

The Working Interest Owners of the Pearsall Queen Sand Unit, Lea County, New Mexico acquired, in the same proportions as their present ownership in said Unit, the Operating Rights in and to Federal Lease LC 059255 to a depth of 5,000 feet from surface, insofar as said lease covers the NE/4 SW/4 Section 4, Township 18 South, Range 32 East, Lea County, New Mexico.

The Working Interest Owners of the Pearsall Queen Sand Unit desire to expand said Unit to include said NE/4 SW/4 Section 4, 18 South, Range 32 East in order to use the well thereon as an Injection Well for the Unit. It is proposed to allocate to said tract, which is to be numbered Tract 16 of the Unit, a Unit participation of 1.278772%.

It is proposed that the Unit be expanded to include said tract of land in accordance with Section 4 of the Unit Agreement which requires the approval of 90% of the Working Interest Owners. We will appreciate it if you will indicate your approval of the expansion of the Unit to include the additional 40 acre tract on the basis herein proposed by signing and returning to us the extra copy of this letter so indicating.

Very truly yours,

OCT 17 1967

Anadarko Production Company

C. W. Stumhoffer

C. W. Stumhoffer
Superintendent
Secondary Recovery Division

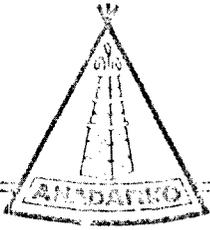
CWS/JF/hb

APPROVED:

Company F. W. Holloway Jr

By [Signature]

Date September 25 1967



ANADARKO PRODUCTION COMPANY

3109 WINTHROP AVENUE P. O. BOX 9317 FORT WORTH, TEXAS 76107
CABLE ADDRESS: ANDARK

September 1, 1967

RECEIVED
OCT 9 10 13 AM '67
STATE LAND OFFICE
SANTA FE, N.M.

To: Working Interest Owners
Pearsall Queen Sand Unit
Lea County, New Mexico

Pearsall Queen Sand Unit
Lea County, New Mexico

Gentlemen:

The Working Interest Owners of the Pearsall Queen Sand Unit, Lea County, New Mexico acquired, in the same proportions as their present ownership in said Unit, the Operating Rights in and to Federal Lease LC 059255 to a depth of 5,000 feet from surface, insofar as said lease covers the NE/4 SW/4 Section 4, Township 18 South, Range 32 East, Lea County, New Mexico.

The Working Interest Owners of the Pearsall Queen Sand Unit desire to expand said Unit to include said NE/4 SW/4 Section 4, 18 South, Range 32 East in order to use the well thereon as an Injection Well for the Unit. It is proposed to allocate to said tract, which is to be numbered Tract 16 of the Unit, a Unit participation of 1.278772%.

It is proposed that the Unit be expanded to include said tract of land in accordance with Section 4 of the Unit Agreement which requires the approval of 90% of the Working Interest Owners. We will appreciate it if you will indicate your approval of the expansion of the Unit to include the additional 40 acre tract on the basis herein proposed by signing and returning to us the extra copy of this letter so indicating.

Very truly yours,

Anadarko Production Company

C. W. Stumhoffer

C. W. Stumhoffer
Superintendent
Secondary Recovery Division

CWS/JF/hb

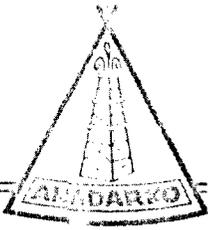
APPROVED:

Company MinnTex Oil Company

By *[Signature]* Pres

Date September 25, 1967

OCT 17 1967



ANADARKO PRODUCTION COMPANY

3109 WINTHROP AVENUE P. O. BOX 9317 FORT WORTH, TEXAS 76107
CABLE ADDRESS: ANDARK

September 1, 1967

To: Working Interest Owners
Pearsall Queen Sand Unit
Lea County, New Mexico

Pearsall Queen Sand Unit
Lea County, New Mexico

RECEIVED
OCT 9 10 13 AM '67
STATE LAND OFFICE
SANTA FE, N.M.

Gentlemen:

The Working Interest Owners of the Pearsall Queen Sand Unit, Lea County, New Mexico acquired, in the same proportions as their present ownership in said Unit, the Operating Rights in and to Federal Lease LC 059255 to a depth of 5,000 feet from surface, insofar as said lease covers the NE/4 SW/4 Section 4, Township 18 South, Range 32 East, Lea County, New Mexico.

The Working Interest Owners of the Pearsall Queen Sand Unit desire to expand said Unit to include said NE/4 SW/4 Section 4, 18 South, Range 32 East in order to use the well thereon as an Injection Well for the Unit. It is proposed to allocate to said tract, which is to be numbered Tract 16 of the Unit, a Unit participation of 1.278772%.

It is proposed that the Unit be expanded to include said tract of land in accordance with Section 4 of the Unit Agreement which requires the approval of 90% of the Working Interest Owners. We will appreciate it if you will indicate your approval of the expansion of the Unit to include the additional 40 acre tract on the basis herein proposed by signing and returning to us the extra copy of this letter so indicating.

Very truly yours,

LC 17

Anadarko Production Company

C. W. Stumhoffer

C. W. Stumhoffer
Superintendent
Secondary Recovery Division

CWS/JF/hb

APPROVED:

Company Working Interest Owners

By *C. R. D. Johnson*

Date 9-20-1967



ANADARKO PRODUCTION COMPANY

3109 WINTHROP AVENUE P. O. BOX 9317 FORT WORTH, TEXAS 76107
CABLE ADDRESS: ANDARK

September 1, 1967

To: Working Interest Owners
Pearsall Queen Sand Unit
Lea County, New Mexico

Pearsall Queen Sand Unit
Lea County, New Mexico

RECEIVED
OCT 9 10 13 AM '67
STATE LAND OFFICE
SANTA FE, N.M.

Gentlemen:

The Working Interest Owners of the Pearsall Queen Sand Unit, Lea County, New Mexico acquired, in the same proportions as their present ownership in said Unit, the Operating Rights in and to Federal Lease LC 059255 to a depth of 5,000 feet from surface, insofar as said lease covers the NE/4 SW/4 Section 4, Township 18 South, Range 32 East, Lea County, New Mexico.

The Working Interest Owners of the Pearsall Queen Sand Unit desire to expand said Unit to include said NE/4 SW/4 Section 4, 18 South, Range 32 East in order to use the well thereon as an Injection Well for the Unit. It is proposed to allocate to said tract, which is to be numbered Tract 16 of the Unit, a Unit participation of 1.278772%.

It is proposed that the Unit be expanded to include said tract of land in accordance with Section 4 of the Unit Agreement which requires the approval of 90% of the Working Interest Owners. We will appreciate it if you will indicate your approval of the expansion of the Unit to include the additional 40 acre tract on the basis herein proposed by signing and returning to us the extra copy of this letter so indicating.

Very truly yours,

Anadarko Production Company

C. W. Stumhoffer

C. W. Stumhoffer
Superintendent
Secondary Recovery Division

CWS/JF/hb

APPROVED:

Company Reading & Bates, Inc.

By Bill M. Burch

Date September 8, 1967

OCT 17 11 00 30



ANADARKO PRODUCTION COMPANY

3109 WINTHROP AVENUE P. O. BOX 9317 FORT WORTH, TEXAS 76107
CABLE ADDRESS: ANADARK

September 1, 1967

To: Working Interest Owners
Pearsall Queen Sand Unit
Lea County, New Mexico

Pearsall Queen Sand Unit
Lea County, New Mexico

RECEIVED
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STATE LAND OFFICE
SANTA FE, N.M.

Gentlemen:

The Working Interest Owners of the Pearsall Queen Sand Unit, Lea County, New Mexico acquired, in the same proportions as their present ownership in said Unit, the Operating Rights in and to Federal Lease LC 059255 to a depth of 5,000 feet from surface, insofar as said lease covers the NE/4 SW/4 Section 4, Township 18 South, Range 32 East, Lea County, New Mexico.

The Working Interest Owners of the Pearsall Queen Sand Unit desire to expand said Unit to include said NE/4 SW/4 Section 4, 18 South, Range 32 East in order to use the well thereon as an Injection Well for the Unit. It is proposed to allocate to said tract, which is to be numbered Tract 16 of the Unit, a Unit participation of 1.278772%.

It is proposed that the Unit be expanded to include said tract of land in accordance with Section 4 of the Unit Agreement which requires the approval of 90% of the Working Interest Owners. We will appreciate it if you will indicate your approval of the expansion of the Unit to include the additional 40 acre tract on the basis herein proposed by signing and returning to us the extra copy of this letter so indicating.

Very truly yours,

OCT 17 11 00 AM '67

Anadarko Production Company

C. W. Stumhoffer

C. W. Stumhoffer
Superintendent
Secondary Recovery Division

CWS/JF/hb

APPROVED:

APPROVED:

Company YATES PETROLEUM CORPORATION

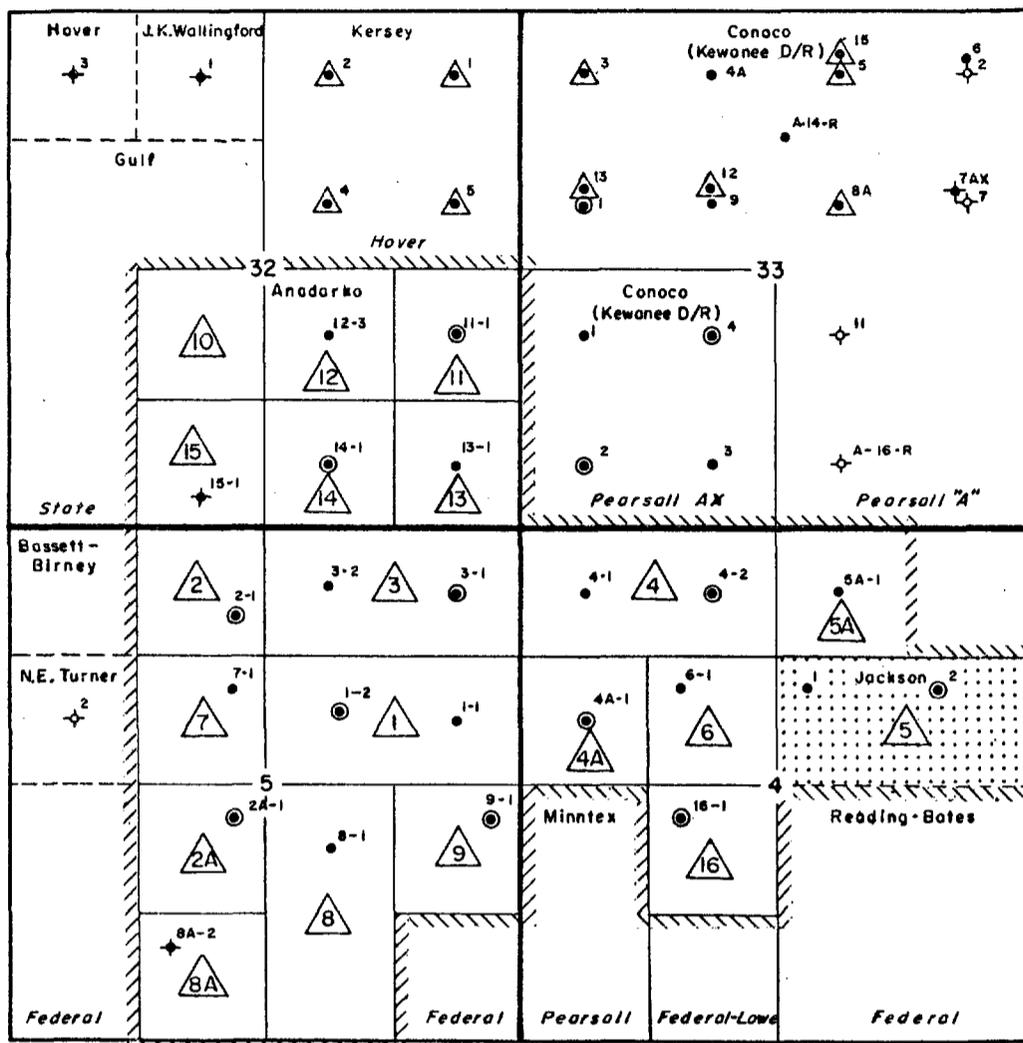
By *J. P. Yates*
President

J. P. Yates
S. P. YATES

Date Sept. 14, 1967

Date: Sept. 14, 1967

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SANTA FE, N.M.

LEGEND

- - Queen
- ▲ - Grayburg
- ⊙ - Water Injection Well
- ★ - Plugged & Abandoned
- ⋯ - Non Participating tract
- - - - Unit Boundary
- ② - Tract Number

Rev. 6-1-67
Effective: October 1, 1967

EXHIBIT "A" TO UNIT AGREEMENT
PEARSALL QUEEN SAND UNIT

LEA COUNTY, NEW MEXICO



EXHIBIT "B"
 PEARSALL QUEEN SAND UNIT
 LEA COUNTY, NEW MEXICO

SCHEDULE OF OWNERSHIP

<u>TRACT NUMBER</u>	<u>DESCRIPTION</u>	<u>NUMBER OF ACRES</u>	<u>SERIAL NO. & LEASE DATE</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>Federal Lands</u>							
1	S/2 NE/4 Section 5-T18S-R32E	80.00	LC-029403 (a) 12-1-59	Schedule "C"	Roy H. Smith & Hugh L. Johnson, Jr. DBA Roy H. Smith Drilling Company	M.E. Baish Martin Yates III Irene E. Walker William E. Walker Elaine M. Walker -1 1/2% -1% -2 1/2% -1 1/2% -1 1/2% \$110,000.00 PP out of 25% of the WI to Roy H. Smith. After Payout of above PP a \$25,000.00 PP shall Commence out of 12 1/2% of the WI to Roy H. Smith	Anadarco Production Company - 100% (to 5,000 ft.)
2	Lot 3 (NE/4 NW/4) Section 5-T18S-R32E	40.08	LC-029403 (b) 11-1-61	Schedule "D"	Hugh L. Johnson, Jr. & Roy H. Smith DBA Roy H. Smith Drilling Company	Subject to the \$110,000.00 and \$25,000.00 PP described under Tract 1 above	Anadarco Production Company - 100% (to 5,000 ft.)
2-A	NE/4 SW/4 Section 5-T18S-R32E	40.00	LC-029403 (b) 11-1-61	Schedule "D"	Hugh L. Johnson, Jr. & Roy H. Smith DBA Roy H. Smith Drilling Company	Subject to the \$110,000.00 and \$25,000.00 PP described under Tract 1 above	Anadarco Production Company - 100% (to 5,000 ft.)

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 SANTA FE, N.M.

EXHIBIT "B" (Cont.)
 PEARSALL QUEEN SAND UNIT
 LEA COUNTY, NEW MEXICO

SCHEDULE OF OWNERSHIP

TRACT NUMBER	DESCRIPTION	NUMBER OF ACRES	SERIAL NO. & LEASE DATE	BASIC ROYALTY	LESSEE OF RECORD	OVERRIDING ROYALTY OWNER AND AMOUNT	WORKING INTEREST OWNER AND AMOUNT
3	Lots 1 and 2 (N/2 NE/4) Section 5-T18S-R32E	80.21	LC-061155 (a) 12-1-59	Schedule "C"	Frank Brock & R.T. Brock DBA Brock Drilling Company	M.E. Baish -1 1/2% Martin Yates III -1 % Irene E. Walker -2 1/2% Wm. E. Walker -1 1/2% Elaine M. Walker -1 1/2% \$66,000.00 PP out of 25% of the WI to: 1/2 - Frank Brock 1/2 - R.T. Brock After payout of above PP a \$14,000.00 PP shall commence out of 12 1/2% of the WI to: 1/2 - Frank Brock 1/2 - R.T. Brock	Anadarko Production Company - 100% (to base of Queen Sand)
4	Lots 3 and 4 (N/2 NW/4) Section 4-T18S-R32E	80.47	LC-063345 11-1-60	Schedule "D"	Frank Brock R.T. Brock Albert Hunter Utter, Executor of Estate of Alpha McAtee, Deceased	\$99,000.00 PP out of 25% of WI to: 1/4 - Frank Brock 1/4 - R.T. Brock 1/2 - Albert H. Utter, Executor of Estate of Alpha McAtee, Deceased. After payout of above PP, a \$21,000.00 PP shall commence out of 12 1/2% of the WI to: 1/4 - Frank Brock 1/4 - R.T. Brock 1/2 - Albert Hunter Utter, Executor of Estate of Alpha McAtee, Deceased.	Anadarko Production Company - 100% (to base of Queen Sand)

M. N. S. J. A. I. N. S.
 EXECUTIVE OFFICE
 79. NW 9T 01 6 100
 DENVER

EXHIBIT "B" (Cont.)
 PEARSCALL QUEEN SAND UNIT
 LEA COUNTY, NEW MEXICO

SCHEDULE OF OWNERSHIP

TRACT NUMBER	DESCRIPTION	NUMBER OF ACRES	SERIAL NO. & LEASE DATE	BASIC ROYALTY	LESSEE OF RECORD	OVERRIDING ROYALTY OWNER AND AMOUNT	WORKING INTEREST OWNER AND AMOUNT
4-A	SW/4 NW/4 Section 4-T18S-R32E	40.00	LC-063345 11-1-60	Schedule "D"	Frank Brock R.T. Brock Albert Hunter Utter, Executor of Estate of Alpha Mcatee Deceased	Subject to the same \$99,000.00 and \$21,000.00 PP as described under Tract 4	Anadarko Production Company - 100% (To base of Queen Sand)
5	S/2 NE/4 Section 4-T18S-R32E	80.00	LC-061840 11-1-60	Schedule "C"	B.M. Jackson	J.H. Morris, Agent South Central Enterprises	B.M. Jackson - 100%
5-A	Lot 2 (NW/4 NE/4) Section 4-T18S-R32E	40.41	LC-061840 (A) 11-1-60	Schedule "D"	Mintex Oil Company	J.H. Morris, Agent	Mintex Oil Co. 50% Beard Oil Co. 25% F.W. Holloway, Jr. 13-3/4% E.R. Monson 5% K.V. Dahl 2-1/12% Janice Lee Ballard Anderson 4-1/6%
6	SE/4 NW/4 Section 4-T18S-R32E	40.00	LC-060503 11-1-60	Schedule "D"	Virginia Woods Shaw	Virginia Woods Shaw 1.25% Charlotte Woods Runyon 1.25% Emily Woods Ray 1.25% Mary Katherine Fowles 1.25%	Reading & Bates, Inc. - 100%
7	SE/4 NW/4 Section 5-T18S-R32E	40.00	NM-016795 2-1-55	Schedule "B"	Anadarko Production Co.	NONE	Anadarko Production Company - 100% (to 5,000 ft.)

SAN JUAN COUNTY OFFICE
 LEA COUNTY, NEW MEXICO

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EXHIBIT "B" (Cont.)
 PEARSALL QUEEN SAND UNIT
 LEA COUNTY, NEW MEXICO

SCHEDULE OF OWNERSHIP

TRACT NUMBER	DESCRIPTION	NUMBER OF ACRES	SERIAL NO. & LEASE DATE	BASIC ROYALTY	LESSEE OF RECORD	OVERRIDING ROYALTY		WORKING INTEREST
						OWNER AND AMOUNT	OWNER AND AMOUNT	
8	W/2 SE/4 Section 5-T18S-R32E	80.00	LC-064098 12-1-59	Schedule "C"	C.N. Ochiltree by Margaret Bass Ochiltree, Administra- trix of Estate of C.N. Ochiltree, Deceased	M.E. Baish	-1 1/2%	Anadarko Production Company - 100% (to 5,000 ft.)
						Martin Yates III	-1 %	
						Irene E. Walker	-2 1/2%	
						Wm. E. Walker	-1 1/2%	
						Elaine M. Walker	-1 1/2%	
						Subject to the \$110,000.00 and \$25,000.00 PP described under Tract 1.		
8-A	SE/4 SW/4 Section 5-T18S-R32E	40.00	LC-064098 12-1-59	12 1/2%	C.N. Ochiltree by Margaret Bass Ochiltree, Administra- trix of Estate of C.N. Ochiltree, Deceased	M.E. Baish	-1 1/2%	Anadarko Production Company - 100% (to 5,000 ft.)
						Martin Yates III	-1 %	
						Irene E. Walker	-2 1/2%	
						Wm. E. Walker	-1 1/2%	
						Elaine M. Walker	-1 1/2%	
						Subject to the \$110,000.00 and \$25,000.00 PP described under Tract 1.		
9	NE/4 SE/4 Section 5-T18S-R32E	40.00	LC-061153 12-1-59	Schedule "C"	Virginia Woods Shaw	M.E. Baish	-1 1/2%	Anadarko Production Company - 100% (to 5,000 ft.)
						Martin Yates III	-1 %	
						Irene E. Walker	-2 1/2%	
						Elaine M. Walker	-1 1/2%	
						Wm. E. Walker	-1 1/2%	
						Virginia Woods Shaw-5 % (to 5,000 ft.)		
10	NE/4 SW/4 Section 32-T17S-R32E	40.00	B-6768	12 1/2%	Yates Petroleum Corp.	Ada M. Trostel	3%	S.P. Yates 33 1/3% Dixon & Yates 33 1/3% Yates Petroleum Corporation 33 1/3%
						* Yates Bros.	4.1666%	

* This ORR comes out of Yates Petroleum Corporation Working Interest only

EXHIBIT "B" (Cont.)
 PEARSALL QUEEN SAND UNIT
 LEA COUNTY, NEW MEXICO

SCHEDULE OF OWNERSHIP

TRACT NUMBER	DESCRIPTION	NUMBER OF ACRES	SERIAL NO. & LEASE DATE	BASIC ROYALTY	LESSEE OF RECORD	OVERRIDING ROYALTY OWNER AND AMOUNT	WORKING INTEREST OWNER AND AMOUNT
11	NE/4 SE/4 Section 32-T17S-R32E	40.00	B-6768	12½%	Yates Petroleum Corp.	Laura G. Brown * Yates Brothers 3.125% 4.1667%	S.P. Yates 33 1/3% Dixon & Yates 33 1/3% Yates Petroleum Corporation 33 1/3%
12	NW/4 SE/4 Section 32-T17S-R32E	40.00	B-6768	12½%	Yates Petroleum Corp.	Claude Johnston * Yates Brothers 3% 4.1666%	S.P. Yates 33 1/3% Dixon & Yates 33 1/3% Yates Petroleum Corporation 33 1/3%
13	SE/4 SE/4 Section 32-T17S-R32E	40.00	B-6768	12½%	Yates Petroleum Corp.	C.H. Malott * Yates Brothers 3% 4.1666%	S.P. Yates 33 1/3% Dixon & Yates 33 1/3% Yates Petroleum Corporation 33 1/3%
14	SW/4 SE/4 Section 32-T17S-R32E	40.00	B-6768	12½%	Yates Petroleum Corp.	Selina Reese * Yates Bros. 3% 4.1666%	S.P. Yates 33 1/3% Dixon & Yates 33 1/3% Yates Petroleum Corporation 33 1/3%
15	SE/4 SW/4 Section 32-T17S-R32E	40.00	OG-5119 2-17-59	12½%	Gulf Oil Corporation	Gulf Oil Corp. 6.25%	Anadarko Production Company 74.409804 Janice Lee Ballard Anderson 00.296377 John M. Beard 01.778263 K.V. Dahl 00.148188 Dixon & Yates 03.643199 F.W. Holloway, Jr. 00.978045 Mintex Oil Co. 03.556526 E.R. Monson 00.355653 Reading & Bates 07.547545 S.P. Yates 03.643200 Yates Petroleum Corporation 03.643200

* This ORR comes out of Yates Petroleum Corporation Working Interest only.

EXHIBIT "B" (Cont.)
 PEARSAIL QUEEN SAND UNIT
 LEA COUNTY, NEW MEXICO

SCHEDULE OF OWNERSHIP

<u>TRACT NUMBER</u>	<u>DESCRIPTION</u>	<u>NUMBER OF ACRES</u>	<u>SERIAL NO. & LEASE DATE</u>	<u>BASIC ROYALTY</u>	<u>LESSEE OF RECORD</u>	<u>OVERRIDING ROYALTY OWNER AND AMOUNT</u>	<u>WORKING INTEREST OWNER AND AMOUNT</u>
16	NE/4 SW/4 Section 4-T18S- R32E	40.00	LC-059255 11-1-60	12 1/2%	Humble Oil & Ref.	Mary Weddige Whisenant - 1%	Anadarko Production Company Janice Lee Ballard Anderson John M. Beard K.V. Dahl Dixon & Yates F.W. Holloway, Jr. Mintex Oil Co. E.R. Monson Reading & Bates S.P. Yates Yates Petroleum Corporation (to 5,000 ft.)
							74.409804 00.296377 01.778263 00.148188 03.643199 00.978045 03.556526 00.355653 07.547545 03.643200 03.643200

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 OCT 6 1967
 OFFICE OF LAND AND MINERAL RIGHTS
 SANTA FE, N.M.

EXHIBIT "B" (CONT'D)
PEARSALL QUEEN SAND UNIT
LEA COUNTY, NEW MEXICO

TOTALS

14	Federal Tracts	761.17 Acres	76.03% of Unit Area
6	State of New Mexico Tracts	240 Acres	23.97% of Unit Area
<hr/>		1,001.17 Acres	100% of Unit Area



ANADARKO PRODUCTION COMPANY

3109 WINTHROP AVENUE P. O. BOX 9317 FORT WORTH, TEXAS 76107

CABLE ADDRESS: ANOARK

October 4, 1967

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

Expansion of Pearsall Queen Sand Unit
to include Tract 16 - Anadarko Production
Company et al Federal Love Lease
NE/4 SW/4 Section 4, T-18S, R-32E
Lea County, New Mexico

07 OCT 9 1967

Gentlemen:

Enclosed for your approval are five (5) copies of an Application for Expansion of the Pearsall Queen Sand Unit area to include Tract 16 above described. We will appreciate it if you will furnish one approved copy to the Director, United States Geological Survey and one approved copy to the Commissioner of Public Lands, and two approved copies to Anadarko Production Company.

We are submitting this Application for Expansion to the Director, United States Geological Survey and the Commissioner of Public Lands for their approval, and we are requesting that each send an approved copy direct to your office.

A Notice of the proposed Expansion of the Unit area for the Pearsall Queen Sand Unit was mailed on September 1, 1967 to the Supervisor, the Commissioner, each Working Interest Owner and Overriding Royalty Interest Owner in the Unit and in Tract 16 above described. Thirty days have elapsed since the mailing of said Notice and no objections to the proposed Expansion have been received.

The ownership of the Working Interest in said Tract 16 is identical to the present Working Interest Ownership of the Pearsall

Page #2

Oil Conservation Commission

Queen Sand Unit. One hundred percent of the Working Interest Owners of Tract 16, above described, have approved said Expansion of the Unit area, and we enclose herewith copies of our letters of September 1, 1967 whereon the Working Interest Owners have so approved. The royalty under Tract 16 is owned by the United States of America, and the only other outstanding interest is a 1% overriding royalty, the owner of which we have not been able to locate to solicit joinder to the Unit.

Four copies of the Pearsall Queen Sand Unit Agreement Exhibits A, B, and C revised on June 1, 1967 to become effective October 1, 1967 are enclosed for your file.

Should you require additional data please advise.

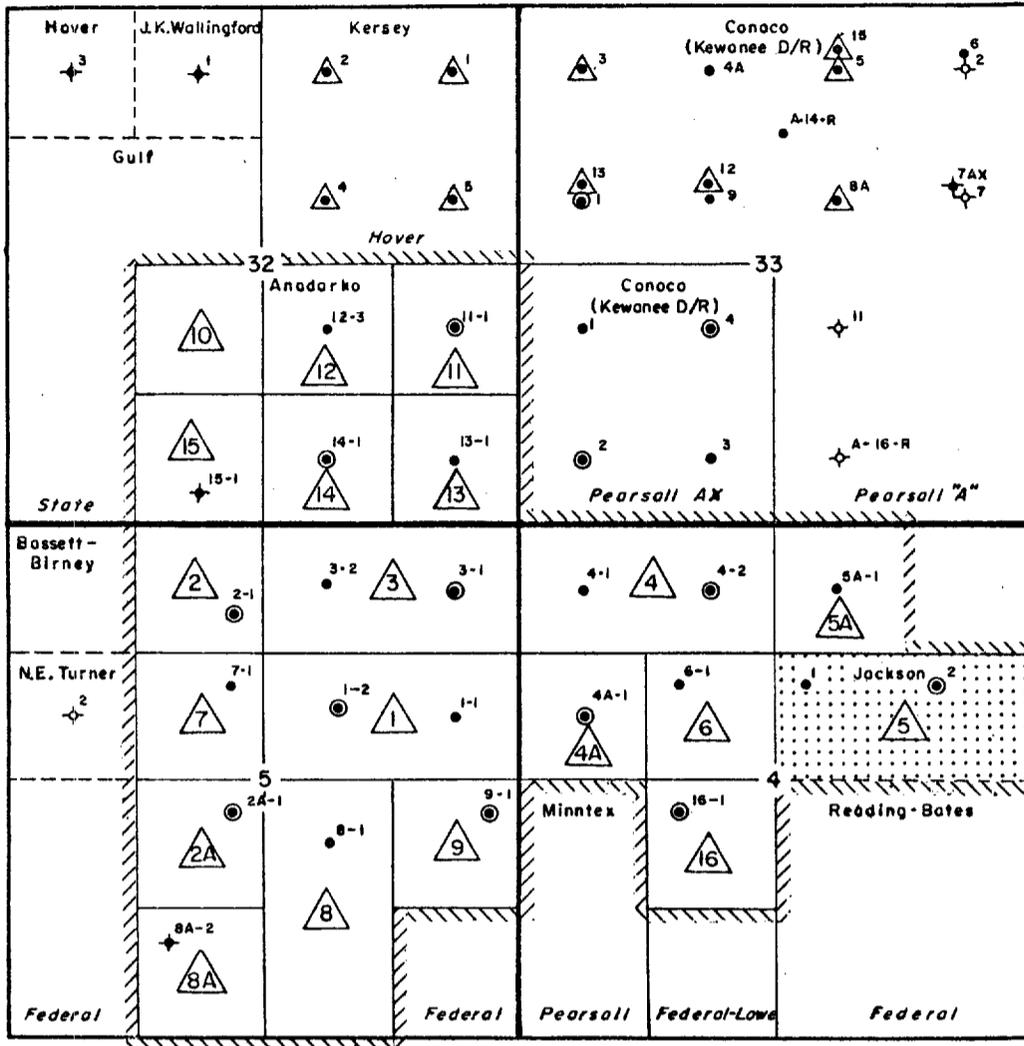
Very truly yours,

C. W. Stumhoffer

C. W. Stumhoffer
Superintendent
Secondary Recovery Division

CWS/hb

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LEGEND

- - Queen
- ▲ - Grayburg
- ⊙ - Water Injection Well
- ★ - Plugged & Abandoned
- ⋯ - Non Participating tract
- - Unit Boundary
- ▤ - Tract Number

EXHIBIT "A" TO UNIT AGREEMENT
PEARSALL QUEEN SAND UNIT

LEA COUNTY, NEW MEXICO



EXHIBIT "B"
 PEARSALL QUEEN SAND UNIT
 LEA COUNTY, NEW MEXICO

SCHEDULE OF OWNERSHIP

<u>TRACT NUMBER</u>	<u>DESCRIPTION</u>	<u>NUMBER OF ACRES</u>	<u>SERIAL NO. & LEASE DATE</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>Federal Lands</u>							
1	S/2 NE/4 Section 5-T18S-R32E	80.00	LC-029403 (a) 12-1-59	Schedule "C"	Roy H. Smith & Hugh L. Johnson, Jr. DBA Roy H. Smith Drilling Company	M. E. Baish Martin Yates III Irene E. Walker William E. Walker Elaine M. Walker \$110,000.00 PP out of 25% of the WI to Roy H. Smith. After Payout of above PP a \$25,000.00 PP shall Commence out of 12½% of the WI to Roy H. Smith	Anadarko Production Company - 100% (to 5,000 ft.)
2	Lot 3 (NE/4 NW/4) Section 5-T18S-R32E	40.08	LC-029403 (b) 11-1-61	Schedule "D"	Hugh L. Johnson, Jr. & Roy H. Smith DBA Roy H. Smith Drilling Company	Subject to the \$110,000.00 and \$25,000.00 PP described under Tract 1 above	Anadarko Production Company - 100% (to 5,000 ft.)
2-A	NE/4 SW/4 Section 5-T18S-R32E	40.00	LC-029403 (b) 11-1-61	Schedule "D"	Hugh L. Johnson, Jr. & Roy H. Smith DBA Roy H. Smith Drilling Company	Subject to the \$110,000.00 and \$25,000.00 PP described under Tract 1 above	Anadarko Production Company - 100% (to 5,000 ft.)

EXHIBIT "B" (Cont.)
 PEARSALE QUEEN SAND UNIT
 LEA COUNTY, NEW MEXICO

SCHEDULE OF OWNERSHIP

TRACT NUMBER	DESCRIPTION	NUMBER OF ACRES	SERIAL NO. & LEASE DATE	BASIC ROYALTY	LESSEE OF RECORD	OVERRIDING ROYALTY OWNER AND AMOUNT	WORKING INTEREST OWNER AND AMOUNT
3	Lots 1 and 2 (N/2 NE/4) Section 5-T1185-R32E	80.21	LC-061155 (a) 12-1-59	Schedule "C"	Frank Brock & R.T. Brock DBA Brock Drilling Company	M.E. Baish -1 1/2% Martin Yates III -1 % Irene E. Walker -2 2/3% Wm. E. Walker -1 1/2% Elaine M. Walker -1 1/2% \$66,000.00 PP out of 25% of the WI to: 1/2 - Frank Brock 1/2 - R.T. Brock After payout of above PP a \$14,000.00 PP shall commence out of 12 2/3% of the WI to: 1/2 - Frank Brock 1/2 - R.T. Brock	Anadarko Production Company - 100% (to base of Queen Sand)

4	Lots 3 and 4 (N/2 NW/4) Section 4-T1185-R32E	80.47	LC-063345 11-1-60	Schedule "D"	Frank Brock R.T. Brock Albert Hunter Utter, Executor of Estate of Alpha McAtee, Deceased	Brock Drilling Company 1/16 of WI. Security-First Nat. Bank of Los Angeles, Trustee 1/16 of WI. \$99,000.00 PP out of 25% of WI to: 1/4 - Frank Brock 1/4 - R.T. Brock 1/2 - Albert H. Utter, Executor of Estate of Alpha McAtee, Deceased. After payout of above PP, a \$21,000.00 PP shall commence out of 12 2/3% of the WI to: 1/4 - Frank Brock 1/4 - R.T. Brock 1/2 - Albert Hunter Utter, Executor of Estate of Alpha McAtee, Deceased.	Anadarko Production Company - 100% (to base of Queen Sand)
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EXHIBIT "B" (Cont.)
 PEARSALL QUEEN SAND UNIT
 LEA COUNTY, NEW MEXICO

SCHEDULE OF OWNERSHIP

TRACT NUMBER	DESCRIPTION	NUMBER OF ACRES	SERIAL NO. & LEASE DATE	BASIC ROYALTY	LESSEE OF RECORD	OVERRIDING ROYALTY OWNER AND AMOUNT	WORKING INTEREST OWNER AND AMOUNT
4-A	SW/4 NW/4 Section 4-T18S-R32E	40.00	LC-063345 11-1-60	Schedule "D"	Frank Brock R.T. Brock Albert Hunter Utter, Executor of Estate of Alpha McAttee Deceased	Subject to the same \$99,000.00 and \$21,000.00 PP as described under Tract 4	Anadarko Production Company - 100% (To base of Queen Sand)
5	S/2 NE/4 Section 4-T18S-R32E	80.00	LC-061840 11-1-60	Schedule "C"	B.M. Jackson	J.H. Morris, Agent South Central Enterprises	B.M. Jackson - 100% -5% -5%
5-A	Lot 2 (NW/4 NE/4) Section 4-T18S-R32E	40.41	LC-061840 (A) 11-1-60	Schedule "D"	Mintex Oil Company	J.H. Morris, Agent	Mintex Oil Co. 50% Beard Oil Co. 25% F.W. Holloway, Jr. 13-3/4% E.R. Monson 5% K.V. Dahl 2-1/12% Janice Lee Ballard Anderson 4-1/6%
6	SE/4 NW/4 Section 4-T18S-R32E	40.00	LC-060503 11-1-60	Schedule "D"	Virginia Woods Shaw	Virginia Woods Shaw Charlotte Woods Runyon	1.25% 1.25% 1.25%
7	SE/4 NW/4 Section 5-T18S-R32E	40.00	NM-016795 2-1-55	Schedule "B"	Anadarko Production Co.	NONE	Anadarko Production Company - 100% (to 5,000 ft.)

EXHIBIT "B" (Cont.)
 PEARSALL QUEEN SAND UNIT
 LEA COUNTY, NEW MEXICO

SCHEDULE OF OWNERSHIP

TRACT NUMBER	DESCRIPTION	NUMBER OF ACRES	SERIAL NO. & LEASE DATE	BASIC ROYALTY	LESSEE OF RECORD	OVERRIDING ROYALTY OWNER AND AMOUNT	WORKING INTEREST OWNER AND AMOUNT
8	W/2 SE/4 Section 5-T18S-R32E	80.00	LC-064098 12-1-59	Schedule "C"	C.N. Ochiltree by Margaret Bass Ochiltree, Administra- trix of Estate of C.N. Ochiltree, Deceased	M.E. Baish Martin Yates III Irene E. Walker Wm. E. Walker Elaine M. Walker -1 1/2% -1% -2 1/2% -1 1/2% -1 1/2%	Anadarko Production Company - 100% (to 5,000 ft.)
					Subject to the \$110,000.00 and \$25,000.00 PP described under Tract 1.		
8-A	SE/4 SW/4 Section 5-T18S-R32E	40.00	LC-064098 12-1-59	12 1/2%	C.N. Ochiltree by Margaret Bass Ochiltree, Administra- trix of Estate of C.N. Ochiltree, Deceased	M.E. Baish Martin Yates III Irene E. Walker Wm. E. Walker Elaine M. Walker -1 1/2% -1% -2 1/2% -1 1/2% -1 1/2%	Anadarko Production Company - 100% (to 5,000 ft.)
					Subject to the \$110,000.00 and \$25,000.00 PP described under Tract 1.		
9	NE/4 SE/4 Section 5-T18S-R32E	40.00	LC-061153 12-1-59	Schedule "C"	Virginia Woods Shaw	M.E. Baish Martin Yates III Irene E. Walker Elaine M. Walker Wm. E. Walker Virginia Woods Shaw-5% (to 5,000 ft.) -1 1/2% -1% -2 1/2% -1 1/2% -1 1/2%	Anadarko Production Company - 100% (to 5,000 ft.)
10	NE/4 SW/4 Section 32-T17S-R32E	40.00	B-6768	12 1/2%	Yates Petroleum Corp.	Ada M. Trostel * Yates Bros. 3% 4.1666%	S.P. Yates 33 1/3% Dixon & Yates 33 1/3% Yates Petroleum Corporation 33 1/3%

* This ORR comes out of Yates Petroleum Corporation Working Interest only

EXHIBIT "B" (Cont.)
 PEARSCALL QUEEN SAND UNIT
 LEA COUNTY, NEW MEXICO

SCHEDULE OF OWNERSHIP

TRACT NUMBER	DESCRIPTION	NUMBER OF ACRES	SERIAL NO. & LEASE DATE	BASIC ROYALTY	LESSEE OF RECORD	OVERRIDING ROYALTY OWNER AND AMOUNT	WORKING INTEREST OWNER AND AMOUNT
11	NE/4 SE/4 Section 32-T17S-R32E	40.00	B-6768	12½%	Yates Petroleum Corp.	Laura G. Brown * Yates Brothers 4.1667%	S.P. Yates 33 1/3% Dixon & Yates 33 1/3% Yates Petroleum Corporation 33 1/3%
12	NW/4 SE/4 Section 32-T17S-R32E	40.00	B-6768	12½%	Yates Petroleum Corp.	Claude Johnston * Yates Brothers 4.1666%	S.P. Yates 33 1/3% Dixon & Yates 33 1/3% Yates Petroleum Corporation 33 1/3%
13	SE/4 SE/4 Section 32-T17S-R32E	40.00	B-6768	12½%	Yates Petroleum Corp.	C.H. Malott * Yates Brothers 4.1666%	S.P. Yates 33 1/3% Dixon & Yates 33 1/3% Yates Petroleum Corporation 33 1/3%
14	SW/4 SE/4 Section 32-T17S-R32E	40.00	B-6768	12½%	Yates Petroleum Corp.	Selina Reese * Yates Bros. 4.1666%	S.P. Yates 33 1/3% Dixon & Yates 33 1/3% Yates Petroleum Corporation 33 1/3%
15	SE/4 SW/4 Section 32-T17S-R32E	40.00	OG-5119 2-17-59	12½%	Gulf Oil Corporation	Gulf Oil Corp. 6.25%	Anadarko Production Company 74.409804 Janice Lee Ballard Anderson 00.296377 John M. Beard 01.778263 K.V. Dahl 00.148188 Dixon & Yates 03.643199 F.W. Holloway, Jr. 00.978045 Mimntex Oil Co. 03.556526 E.R. Monson 00.355653 Reading & Bates 07.547545 S.P. Yates 03.643200 Yates Petroleum Corporation 03.643200

* This ORR comes out of Yates Petroleum Corporation Working Interest only.

EXHIBIT "B" (Cont.)
 PEARSALL QUEEN SAND UNIT
 LEA COUNTY, NEW MEXICO

SCHEDULE OF OWNERSHIP

<u>TRACT NUMBER</u>	<u>DESCRIPTION</u>	<u>NUMBER OF ACRES</u>	<u>SERIAL NO. & LEASE DATE</u>	<u>BASIC ROYALTY</u>	<u>LESSEE OF RECORD</u>	<u>OVERRIDING ROYALTY OWNER AND AMOUNT</u>	<u>WORKING INTEREST OWNER AND AMOUNT</u>
16	NE/4 SW/4 Section 4-T18S- R32E	40.00	LC-059255 11-1-60	12½%	Humble Oil & Ref.	Mary Weddige Whisenant - 1%	Anadarko Production Company 74.409804 Janice Lee Ballard Anderson 00.296377 John M. Beard 01.778263 K.V. Dahl 00.148188 Dixon & Yates 03.643199 F.W. Holloway, Jr. 00.978045 Mintex Oil Co. 03.556526 E.R. Monson 00.355653 Reading & Bates 07.547545 S.P. Yates 03.643200 Yates Petroleum Corporation 03.643200 (to 5,000 ft.)

EXHIBIT "B" (CONT'D)
PFARSALL, QUEEN SAND UNIT
LEA COUNTY, NEW MEXICO

TOTALS

14	Federal Tracts	761.17 Acres	76.03% of Unit Area
6	State of New Mexico Tracts	240 Acres	23.97% of Unit Area
<hr/>		1,001.17 Acres	100% of Unit Area

EXHIBIT "C"
 PEARSALL QUEEN SAND UNIT
 LEA COUNTY, NEW MEXICO

SCHEDULE OF UNIT PARTICIPATION

<u>TRACT NUMBER</u>	<u>DESCRIPTION</u>	<u>LEASE NUMBER AND LEASE DATE</u>		<u>PHASE II - TRACT PARTICIPATION IN UNIT</u>
1	S/2 NE/4 Section 5 - T18S-R32E	LC-029403 (a)	12-1-59	14.069297
2	Lot 3 (NE/4 NW/4) Section 5 - T18S-R32E	LC-029403 (b)	11-1-61	3.406288
2A	NE/4 SW/4 Section 5 - T18S-R32E	LC-029403 (b)	11-1-61	4.383520
3	Lots 1 and 2 (N/2 NE/4) Section 5 - T18S-R32E	LC-061155 (a)	12-1-59	12.577094
4	Lots 3 and 4 (N/2 NW/4) Section 4 - T18S-R32E	LC-063345	11-1-60	25.027181
4A	SW/4 NW/4 Section 4 - T18S-R32E	LC-063345	11-1-60	5.377082
5	S/2 NE/4 Section 4 - T18S-R32E	LC-061840	11-1-60	Not Qualified
5A	Lot 2 (NW/4 NE/4) Section 4 - T18S-R32E	LC-061840 (A)	11-1-60	6.960153
6	SE/4 NW/4 Section 4 - T18S-R32E	LC-060503	11-1-60	7.385306
7	SE/4 NW/4 Section 5 - T18S-R32E	NM-016795	2-1-55	1.918451
8	W/2 SE/4 Section 5 - T18S-R32E	LC-064098	12-1-59	4.048207

EXHIBIT "C" (Cont)
 PEARSCALL QUEEN SAND UNIT
 LEA COUNTY, NEW MEXICO

SCHEDULE OF UNIT PARTICIPATION

<u>TRACT NUMBER</u>	<u>DESCRIPTION</u>	<u>LEASE NUMBER AND</u>		<u>PHASE II - TRACT</u> <u>PARTICIPATION IN UNIT</u>
		<u>LEASE DATE</u>		
8A	SE/4 SW/4 Section 5 - T18S-R32E	LC-064098 12-1-59		0.560916
9	NE/4 SE/4 Section 5 - T18S-R32E	LC-061153 12-1-59		1.442285
10	NE/4 SW/4 Section 32 - T18S-R32E	B-6768		0.560916
11	NE/4 SE/4 Section 32 - T18S-R32E	B-6768		6.114775
12	NW/4 SE/4 Section 32 - T18S-R32E	B-6768		2.897138
13	SE/4 SE/4 Section 32 - T18S-R32E	B-6768		0.560916
14	SW/4 SE/4 Section 32 - T18S-R32E	B-6768		0.560916
15	SE/4 SW/4 Section 32 - T18S-R32E	OG-5119 2-17-59		0.870787
16	NE/4 SW/4 Section 4 - T18S-R32E	LC-059255 11-1-60		1.278772

EXHIBIT "C"

PEARSALL QUEEN SAND UNIT
LEA COUNTY, NEW MEXICO

SUMMARY OF OWNERSHIP
BY
WORKING INTEREST OWNER

WORKING INTEREST OWNER

PHASE II PARTICIPATION
IN UNIT

Anadarko Production Company	74.409804
Janice Lee Ballard Anderson	0.296377
John M. Beard	1.778263
K.V. Dahl	0.148188
Dixon and Yates	3.643199
F.W. Holloway, Jr.	0.978045
Mintex Oil Company	3.556527
E.R. Monson	0.355653
Reading and Bates	7.547545
S.P. Yates	3.643199
Yates Petroleum Corporation	<u>3.643200</u>
	<u>100.000000</u>

3004



ANADARKO PRODUCTION COMPANY

3109 WINTHROP AVENUE P. O. BOX 9317 FORT WORTH, TEXAS 76107
CABLE ADDRESS: ANDARK

January 16, 1968

1968 JAN 19 AM 8 44

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

800-5-35
Federal Lease LC 059255
Pearsall Queen Sand Unit
Lea County, New Mexico

Gentlemen:

Enclosed herewith please find a copy of the approval for expansion of the Pearsall Queen Sand Unit from the United States Geological Survey effective October 1, 1967. You have been furnished with a copy of the approval from the Commissioner of Public Lands according to their letter to us of October 16, 1967.

Very truly yours,

Anadarko Production Company

John Fallwell, Jr.
John Fallwell, Jr.

JF/hb



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

JAN 9 1968

Anadarko Production Company
Post Office Box 9317
Fort Worth, Texas 76107

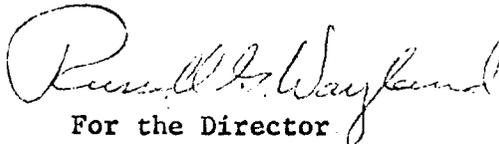
Gentlemen:

On January 2, 1968, Arthur A. Baker, Acting Director of the Geological Survey, approved the application, filed by your company as unit operator, requesting the expansion of the Pearsall Queen Sand unit area, Lea County, New Mexico, No. 14-08-0001-8638.

Approval of the expansion, effective as of October 1, 1967, increases the unit area by the addition of 40 acres, making a total of 1,001.17 acres, more or less, in the unit area.

Enclosed are four copies of the approved application for your records. We request that you furnish the State of New Mexico, and any other interested principal, with whatever evidence of this approval is deemed appropriate.

Sincerely yours,

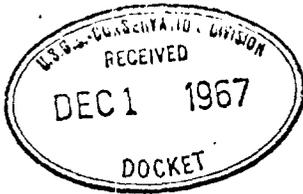

For the Director

Enclosures (4)

MAIN OFFICE

'68 JAN 19 AM 8 44

Operator



CERTIFICATION - APPROVAL

Pursuant to the authority vested in the Secretary of Interior under the Act approved February 25, 1920, 41 Stat. 437, 30 Secs. 181, et seq., as amended and delegated to the Director of the Geological Survey, the foregoing application for expansion of the Pearsall Queen Sand unit area, Lea County, New Mexico, is hereby approved.

JAN 2 - 1968

Date

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

Acting Director, U. S. Geological Survey

217012

DEC 19 1967

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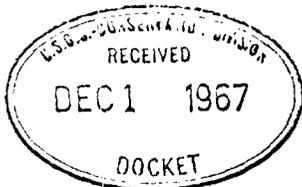
DEC 19 1967

MAIL ROOM

DEC 19 1967

DEC 19 1967

APPLICATION
FOR APPROVAL OF UNIT EXPANSION
PEARSALL QUEEN SAND UNIT



Director,
United States Geological Survey
c/o Regional Oil and Gas Supervisor
P. O. Box 1857
Roswell, New Mexico

The Honorable Guyton Hays
Commissioner of Public Lands
P. O. Box 791
Santa Fe, New Mexico

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico
Attention: Mr. A. L. Porter, Jr.
Secretary-Director

Gentlemen:

Anadarko Production Company, as Operator of the Pearsall Queen Sand Unit, hereby requests approval to expand the Pearsall Queen Sand Unit by adding thereto Tract No. 16, Anadarko Production Company, et al Federal Love Lease (Serial No. LC 059255) consisting of the NE/4 SW/4 Section 4, T-18S, R-32E, Lea County, New Mexico. Said expansion is proposed to be accomplished under the provisions of Section 4 of the Pearsall Queen Sand Unit Agreement that was effective November 1, 1964. The procedures outlined by said Unit Agreement have been carried out as follows:

1. Anadarko Production Company purchased the operating rights to a depth of 5,000 feet in and to Federal Lease LC 059255 covering the NE/4 of SW/4 Section 4, T-18S, R-32E, Lea County, New Mexico for the account of the Working Interest Owners of the Pearsall Queen Sand Unit for the purpose of utilizing the old well located thereon and formerly known as the Maljamar Petroleum Products, Inc. Federal Love No. 1 Well as an injection well for the Unit. An assignment of said operating rights has been made by Anadarko Production Company to the present Working Interest Owners of the Pearsall Queen Sand Unit in proportion to their present fractional ownership in the Unit and said Assignment of operating rights has been approved by the Bureau of Land Management. A letter ballot dated September 1, 1967 was submitted to

the Working Interest Owners of the Pearsall Queen Sand Unit, soliciting their approval of the Expansion of the Unit to include Tract 16 above described, and 100% of said Working Interest Owners have approved said Expansion.

2. Preliminary concurrence of the proposed expansion was given on June 14, 1967 by the Commissioner of Public Lands, and on August 14, 1967 by the Director of the United States Geological Survey.
3. A Notice of the Proposed Expansion of the Pearsall Queen Sand Unit, Lea County, New Mexico dated September 1, 1967 was mailed on said date to the Commissioner, the Supervisor, each Working Interest Owner, Overriding Royalty Interest Owner, Lessee, and Lessor of the Unit and of Tract 16 herein described. Copies of the Notice of Proposed Expansion are enclosed.
4. Since the mailing of said Notice of Proposed Expansion more than 30 days have elapsed and no objection to the Proposed Expansion has been received.
5. Joinders of Working Interest Owners under Tract 16 above described should not be necessary in this case since said owners are identical to the Working Interest Owners of the Unit.

In addition to the attachments described above, there is furnished here- with (1) revised Exhibit A showing revised Unit boundary and tract designation, (2) revised Exhibit B showing relevant data on all tracts within the expanded unit area and (3) revised Exhibit C showing participation of each Working Interest Owner in the expanded Unit.

As stated in the aforementioned Notice of Intent To Expand the Pearsall Queen Sand Unit, the proposed effective date of Expansion is October 1, 1967 which is the first day of the month subsequent to the Notice.

Wherefore, Anadarko Production Company respectfully requests approval of the expansion of the Pearsall Queen Sand Unit as outlined above.

Approved. *Oct. 26* 19*67*
H. P. Porter
CWS/hb Secretary-Director
Respectfully submitted,
C. W. Stumhoffer
C. W. Stumhoffer
Superintendent
Secondary Recovery Division

NEW MEXICO OIL CONSERVATION COMMISSION

THIS APPROVAL GRANTED SUBJECT TO LIKE APPROVAL
BEING GRANTED BY THE UNITED STATES GEOLOGICAL
SURVEY AND BY THE COMMISSIONER OF PUBLIC LANDS
OF THE STATE OF NEW MEXICO.

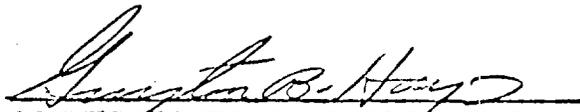
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OCT 17 1967

U. S. GEOLOGICAL SURVEY
RESWELL, NEW MEXICO

Pursuant to the authority vested in the Commissioner of Public Lands of the State of New Mexico by Act of the Legislature (Chap. 88, Laws 1943), the foregoing Application for Expansion of the Pearsall Queen Sand Unit Area is hereby approved. Such expansion shall be effective October 1, 1967, which is the first day of the month subsequent to the notice.

DATE October 16, 1967


COMMISSIONER OF PUBLIC LANDS
STATE OF NEW MEXICO

