



# SHELL OIL COMPANY

P. O. Box 1858  
Roswell, New Mexico

March 18, 1965

100-100-100-100  
2127

Subject: Eddy County, New Mexico  
Chaparral Area  
China Canyon Unit

Commissioner of Public Lands  
State of New Mexico  
Santa Fe, New Mexico  
Attention Mrs. Marian Rhea, Supervisor Unit Division

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

Gentlemen:

Enclosed to each of you is a copy of the China Canyon Unit, complete with Certificate of Approval of the Director of the United States Geological Survey.

If there is anything further you need in connection with this unit, please let us know.

We certainly appreciate your cooperation throughout the entire process of forming this unit.

Yours very truly,

Lee Farris  
Roswell Division Land Department

Enclosures

GOVERNOR  
JACK M. CAMPBELL  
CHAIRMAN

State of New Mexico  
**Oil Conservation Commission**



LAND COMMISSIONER  
E. S. JOHNNY WALKER  
MEMBER

P. O. BOX 2088  
SANTA FE

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

October 23, 1964

Mr. Richard S. Morris  
Seth, Montgomery, Federici & Andrews  
Attorneys at Law  
Post Office 2307  
Santa Fe, New Mexico

Re: CASE NO. 3127 and 3128  
ORDER NO. R-2792 and R-2793  
APPLICANT SHELL OIL COMPANY

Dear Sir:

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

Very truly yours,

A. L. PORTER, Jr.  
Secretary-Director

ir/

Carbon copy of order also sent to:

Hobbs OCC       x        
Artesia OCC       x (R-2791)        
Aztec OCC                     

OTHER

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January 26, 1965

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

Re: China Canyon Unit  
Eddy County, New Mexico

Attention: Mr. Lee Farris

Gentlemen:

The Commissioner of Public Lands has approved the China Canyon Unit as of this date, subject to like approval by the United States Geological Survey.

We are enclosing fifteen (15) originally signed copies of this approval together with Official Receipt No. H-02428 in the amount of Sixty-five (\$65.00) Dollars which covers the filing fee.

Please furnish this office a conformed copy of this when it has been approved by the United States Geological Survey.

Very truly yours,

GUYTON B. HAYS  
COMMISSIONER OF PUBLIC LANDS

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

GBH/tb/mmr/v

cc: United States Geological Survey

Oil Conservation Commission



# SHELL OIL COMPANY

P. O. Box 1858  
Roswell, New Mexico

November 11, 1964

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Subject: Eddy County, New Mexico  
Chaparral Area  
China Canyon Unit Agreement

Commissioner of Public Lands  
P. O. Box 1148  
Santa Fe, New Mexico  
Attention Mrs. Marian M. Rhea,  
Supervisor Unit Division

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

Humble Oil & Refining Company  
P. O. Box 1597  
Roswell, New Mexico

Redfern Development Corporation  
P. O. Box 1747  
Midland, Texas

Gulf Oil Corporation  
P. O. Box 1938  
Roswell, New Mexico

Amex Petroleum Corporation  
1845 Sherman Street  
Denver 3, Colorado

Sun Oil Company  
P. O. Box 1533  
Roswell, New Mexico

Gentlemen:

We seem to be having considerable difficulty in getting Exhibit "B" to the subject Unit Agreement correct, and once again find ourselves in the position of having to express our apologies for error.

It has been called to our attention that, as to Tracts 3 and 7 of the Exhibit, U. S. Smelting owns a full 2% overriding royalty instead of the 1/4 of 2% presently shown.

New sheets 1 and 2 are enclosed for substitution for the present sheets. We sincerely hope, as you all do, that no further corrections will be necessary.

Yours very truly,

Lee Farris  
Roswell Division Land Department

Enclosures

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

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Tract No.	Description	Number of Acres	Lease Serial No. & Expiration Date	Basic Royalty & Percentage	Lessee of Record and Percentage	Overriding Royalty and Percentage	Working Interest and Percentage
FEDERAL ACREAGE							
1.	T-23-S, R-23-E Sec. 24: All	640.00	NM-03814-A FHP	USA 12½%	Shell Oil Company Humble Oil & Refining Company	Peggy P. Jennings, et vir, Howard W. Jennings U. S. Smelting Refining & Mining Co. 1/4 of 2%	Shell Oil Company Humble Oil & Refining Company 3/4
2.	T-23-S, R-24-E Sec. 19: All Sec. 30: All Sec. 18: Lots 1, 2, E½ W½, E½	1790.07	NM-03815-A 2-28-65	USA 12½%	Shell Oil Company Humble Oil & Refining Company	Peggy P. Jennings, et vir, Howard W. Jennings U. S. Smelting Refining & Mining Co. 1/4 of 2%	Shell Oil Company Humble Oil & Refining Company 3/4
3.	T-23-S, R-24-E Sec. 21: S½ NW¼ Sec. 28: NW¼, W½ NE¼, SE¼ NE¼	760.00	NM-03817-B 3-31-66	USA 12½%	Shell Oil Company Redfern Development Corporation	Peggy P. Jennings, et vir, Howard W. Jennings U. S. Smelting Refining & Mining Co. 2%	Shell Oil Company Redfern Development Corporation 1/2
4.	T-23-S, R-23-E Sec. 25: NE¼, W½ SW¼, SE¼	280.00	NM-06154 2-28-65	USA 12½%	Shell Oil Company Humble Oil & Refining Company	Willie G. Hodges U. S. Smelting Refining & Mining Co. 1/4 of 2%	Shell Oil Company Humble Oil & Refining Company 3/4
5.	T-23-S, R-23-E Sec. 25: SE¼ SE¼	40.00	NM-06154-A 2-28-65	USA 12½%	Shell Oil Company	Willie G. Hodges Lawrence C. Harris 3%	Shell Oil Company All
6.	T-23-S, R-24-E Sec. 33: NW¼	150.00	NM-030152 11-1-67	USA 12½%	Sun Oil Company	Irwin Rubenstein, et ux, Barbara Rubenstein 15% of 3% Thomas Connell, et ux, Emily K. Connell 85% of 3%	Sun Oil Company All

7.	<u>T-23-S, R-24-E</u> <u>Sec. 17: All</u> Sec. 20: All	1280.00	NM-063739 3-31-66	USA 12 $\frac{1}{2}$ %	Shell Oil Company 1/2 Redfern Development Corporation 1/2	Peggy P. Jennings, et vir, Howard W. Jenning 3% U. S. Smelting Refining & Mining Co. 1/4 of 2%	Shell Oil Company Redfern Development Corporation	1/2
8.	<u>T-23-S, R-24-E</u> <u>Sec. 21: NE<math>\frac{1}{4}</math></u>	160.00	NM-063745 7-31-67	USA 12 $\frac{1}{2}$ %	Shell Oil Company 1/4 Humble Oil & Refining Company 3/4	Howard W. Jennings, et ux, Peggy P. Jennings - Produc- tion payment of \$600 per acre out of 3% U. S. Smelting Refining & Mining Co. <del>2%</del> 2%	Shell Oil Company Humble Oil & Refining Company	1/4 3/4
9.	<u>T-23-S, R-24-E</u> <u>Sec. 33: SW<math>\frac{1}{4}</math></u>	160.00	NM-0387737 6-1-73	USA 12 $\frac{1}{2}$ %	Ammax Petroleum Cor- poration All	None	Ammax Petroleum Corporation	All
10.	<u>T-23-S, R-24-E</u> <u>Sec. 33: E<math>\frac{1}{2}</math></u>	320.00	NM-0387737-A 6-1-73	USA 12 $\frac{1}{2}$ %	Shell Oil Company All	Ammax Petroleum Corporation 6.25%	Shell Oil Company	All
11.	<u>T-23-S, R-24-E</u> <u>Sec. 29: W<math>\frac{1}{2}</math>, N<math>\frac{1}{2}</math> NE<math>\frac{1}{4}</math>, S<math>\frac{1}{2}</math> SE<math>\frac{1}{4}</math></u>	480.00	NM-0487566-A 12-31-73	USA 12 $\frac{1}{2}$ %	Shell Oil Company All	David W. Fagerness, et ux, 5% Joan E. Fagerness	Shell Oil Company	All
12.	<u>T-23-S, R-24-E</u> <u>Sec. 28: S<math>\frac{1}{2}</math></u>	320.00	NM-0537381 4-30-74	USA 12 $\frac{1}{2}$ %	Shell Oil Company All	John M. Wolski, et ux, Dorothy I. Wolski 3% Charles G. Taylor, et ux, Gwen P. Taylor 2%	Shell Oil Company	All
13.	<u>T-23-S, R-24-E</u> <u>Sec. 28: NE<math>\frac{1}{4}</math> NE<math>\frac{1}{4}</math></u>	40.00	NM-0553773 6-1-74	USA 12 $\frac{1}{2}$ %	Shell Oil Company All	Daniel L. Simmons, et ux, Jane D. Simmons 5%	Shell Oil Company	All
14.	<u>T-23-S, R-24-E</u> <u>Sec. 31: Lots 1, 2, E<math>\frac{1}{2}</math> NW<math>\frac{1}{4}</math>, NE<math>\frac{1}{4}</math></u>	311.28	NM-0553775 5-31-74	USA 12 $\frac{1}{2}$ %	Shell Oil Company All	Philadelphia Oil Company of California 2 $\frac{1}{2}$ % Patricia Waldron, et vir, Gerald B. Waldron 2 $\frac{1}{2}$ %	Shell Oil Company	All
15.	<u>T-23-S, R-24-E</u> <u>Sec. 18: Lots 3, 4</u>	69.44	NM-0555056 11-1-69	USA 12 $\frac{1}{2}$ %	Shell Oil Company All	None	Shell Oil Company	All

15 Tracts, Federal Lands, 6,810.79 Acres, 89.49% of the Unit Area

3127

November 10, 1964

Shell Oil Company  
P. O. Box 1358  
Roswell, New Mexico

Re: Proposed China Canyon Unit  
Sddy County, New Mexico

Attention: Mr. O. V. Lawrence

Gentlemen:

This office approves as to form and content the China Canyon Unit Agreement, Sddy County, New Mexico, this form was submitted to us as of October 15, 1964.

Very truly yours,

E. S. JOHNNY WALKER  
COMMISSIONER OF PUBLIC LANDS

BY:  
Ted Bilberry, Director  
Oil & Gas Department

BSW/mmz/v  
cc:

United States Geological Survey  
Roswell, New Mexico

Oil Conservation Commission  
Santa Fe, New Mexico



NOV 9 1964

# SHELL OIL COMPANY

P. O. Box 1858  
Roswell, New Mexico

November 6, 1964

Subject: Eddy County, New Mexico  
Chaparral Area  
China Canyon Unit Agreement

Commissioner of Public Lands  
P. O. Box 1148  
Santa Fe, New Mexico  
Attention Mrs. Marian M. Rhea,  
Supervisor Unit Division

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

Director  
United States Geological Survey  
Washington, D. C.  
Attention: Supervisor  
United States Geological Survey  
Roswell, New Mexico

Humble Oil & Refining Company  
P. O. Box 1597  
Roswell, New Mexico

Redfern Development Corporation  
P. O. Box 1747  
Midland, Texas

Gulf Oil Corporation  
P. O. Box 1938  
Roswell, New Mexico

Sun Oil Company  
P. O. Box 1533  
Roswell, New Mexico

Amax Petroleum Corporation  
1845 Sherman Street  
Denver 3, Colorado

Gentlemen:

All of you have been furnished with copies of the subject Unit Agreement dated September 29, 1964. It has been called to our attention that there is an error on page 2 of the Exhibit "B" to the Unit Agreement. Under the column for Overriding Royalty and Percentage, Amax Petroleum Corporation is shown as the owner of 5% under Tract 10. Actually, Amax owns a 6.25% overriding royalty under this tract.

New pages 2 of Exhibit "B" to the Unit Agreement are being run and will be furnished to each of you within the next few days to be substituted for the incorrect page 2 now in the Exhibit.

Yours very truly,

  
Lee Farris  
Roswell Division Land Department





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MAIL ROOM  
64 Nov 10 PM 4  
**SHELL OIL COMPANY**

P. O. Box 1858  
Roswell, New Mexico

November 9, 1964

Subject: **Eddy County, New Mexico**  
**Chaparral Area**  
**China Canyon Unit Agreement**

Commissioner of Public Lands  
P. O. Box 1148  
Santa Fe, New Mexico  
Attention Mrs. Marian M. Rhea,  
Supervisor Unit Division

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

Director  
United States Geological Survey  
Washington, D. C.  
Attention: Supervisor  
United States Geological Survey  
Roswell, New Mexico

Humble Oil & Refining Company  
P. O. Box 1597  
Roswell, New Mexico

Redfern Development Corporation  
P. O. Box 1747  
Midland, Texas

Gulf Oil Corporation  
P. O. Box 1938  
Roswell, New Mexico

Amax Petroleum Corporation  
1845 Sherman Street  
Denver 3, Colorado

Sun Oil Company  
P. O. Box 1533  
Roswell, New Mexico

Gentlemen:

Reference is made to the error in the overriding royalty shown for Amax Petroleum Corporation under Tract 10 of Exhibit "B" to the subject Unit Agreement, which was the subject of our letter of November 6, 1964.

Enclosed to each of you are corrected copies of page 2 to Exhibit "B", which should be substituted for the ones you now have.

We extend our apologies for the inconvenience our error has caused.

Yours very truly,

*Lee Farris*  
Lee Farris

Roswell Division Land Department

Enclosure

7.	<u>T-23-S, R-24-E</u> Sec. 17: All Sec. 20: All	1280.00	NM-063739 3-31-66	USA 12 $\frac{1}{2}$ %	Shell Oil Company Redfern Development Corporation	1/2 1/2	Peggy P. Jennings, et vir, Howard W. Jennings U. S. Smelting Refining & Mining Co.	3% 2%	Shell Oil Company Redfern Development Corporation	1/2 1/2
8.	<u>T-23-S, R-24-E</u> Sec. 21: NE $\frac{1}{4}$	160.00	NM-063745 7-31-67	USA 12 $\frac{1}{2}$ %	Shell Oil Company Humble Oil & Refining Company	1/4 3/4	Howard W. Jennings, et ux, Peggy P. Jennings - Produc- tion payment of \$600 per acre out of 3% U. S. Smelting Refining & Mining Co.		Shell Oil Company Humble Oil & Refining Company	1/4 3/4
9.	<u>T-23-S, R-24-E</u> Sec. 33: SW $\frac{1}{4}$	160.00	NM-0387737 6-1-73	USA 12 $\frac{1}{2}$ %	Amax Petroleum Cor- poration	All	None		Amax Petroleum Corporation	All
10.	<u>T-23-S, R-24-E</u> Sec. 33: E $\frac{1}{2}$	320.00	NM-0387737-A 6-1-73	USA 12 $\frac{1}{2}$ %	Shell Oil Company	All	Amax Petroleum Corporation 6.25%		Shell Oil Company	All
11.	<u>T-23-S, R-24-E</u> Sec. 29: W $\frac{1}{2}$ , W $\frac{1}{2}$ NE $\frac{1}{4}$ , S $\frac{1}{2}$ SE $\frac{1}{4}$	480.00	NM-0487566-A 12-31-73	USA 12 $\frac{1}{2}$ %	Shell Oil Company	All	David W. Fagerness, et ux, Joan E. Fagerness	5%	Shell Oil Company	All
12.	<u>T-23-S, R-24-E</u> Sec. 28: S $\frac{1}{2}$	320.00	NM-0537381 4-30-74	USA 12 $\frac{1}{2}$ %	Shell Oil Company	All	John M. Wolski, et ux, Dorothy I. Wolski Charles G. Taylor, et ux, Gwen P. Taylor	3% 2%	Shell Oil Company	All
13.	<u>T-23-S, R-24-E</u> Sec. 28: NE $\frac{1}{4}$ NE $\frac{1}{4}$	40.00	NM-0553773 6-1-74	USA 12 $\frac{1}{2}$ %	Shell Oil Company	All	Daniel L. Simmons, et ux, Jane D. Simmons	5%	Shell Oil Company	All
14.	<u>T-23-S, R-24-E</u> Sec. 31: Lots 1, 2, E $\frac{1}{2}$ NW $\frac{1}{4}$ , NE $\frac{1}{4}$	311.28	NM-0553775 5-31-74	USA 12 $\frac{1}{2}$ %	Shell Oil Company	All	Philadelphia Oil Company of California Patricia Waldron, et vir, Gerald B. Waldron	2 $\frac{1}{2}$ % 2 $\frac{1}{2}$ %	Shell Oil Company	All
15.	<u>T-23-S, R-24-E</u> Sec. 18: Lots 3, 4	69.44	NM-0555056 11-1-69	USA 12 $\frac{1}{2}$ %	Shell Oil Company	All	None		Shell Oil Company	All

15 Tracts, Federal Lands, 6,810.79 Acres, 89.79% of the Unit Area



# SHELL OIL COMPANY

P. O. Box 1858  
Roswell, New Mexico

October 5, 1964

Subject: Eddy County, New Mexico  
Proposed China Canyon Unit

PRICE 000

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*See 3117*

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

Gentlemen:

Please refer to our letter of September 25, 1964, with which we sent you our formal application for approval of the proposed China Canyon Unit.

The formal application stated that the Unit Agreement was attached thereto, but it had not been prepared at the time we made the application, therefore, we are attaching a copy of the Unit Agreement at this time.

Yours very truly, .

Lee Farris  
Roswell Division Land Department

Attachment