

CASE 3586: The Application of Morris R. Antweil for A Unit Agreement, Malaga Unit, Eddy County, New Mexico, May 24, 1967.

Morris R. Antweil, the designated Unit Operator of the proposed Malaga Unit, seeks approval of the Malaga Unit, Eddy County, New Mexico, for the purpose of the secondary recovery of oil reserves. The proposed Malaga Unit encompasses 838.24 acres of federal and fee lands located in Section 12 and 13, T-24S, R-28E, and Section 7 and 18, T-24S, R-29E, Eddy County, New Mexico, as shown on the attached map.

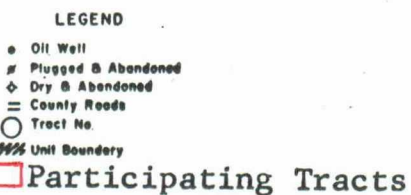
Copies of the Unit Agreement, Unit Operating Agreement, and an amendment to the Unit Agreement have been submitted for approval. The form of the Unit Agreement is basically identical to that of previously approved unit agreements. The Unit Agreement provides for tract participation based 100 percent on accumulative primary recovery to July 1, 1963. The primary recovery formula was selected as being the most revealing factor in ascertaining the reservoir quality and expected secondary reserves of the individual tracts.

Ratification of the Unit Agreement by working interest owners and royalty interest owners sufficient to qualify all tracts, except Tract 1 and 3 (80 acres), has been obtained. The attached map indicates the tracts which are expected to participate in the Unit. A tabulation of the ratification status of all interests in the proposed Unit is attached as Table I. All working interest ownership and a majority of the royalty interest ownership in the participating tracts have ratified the agreement. The Unit Operator will file a schedule (revised Exhibits "A", "B" and "C" to the Unit Agreement)

of those tracts which have been committed and made subject to the Unit Agreement and are entitled to participate in the unitized substances as of the effective date of unitization.

Final approval of the Unit Agreement by the Director of the U. S. G. S. was requested by application on May 11, 1967. Commission approval of the Malaga Unit is requested effective July 1, 1967, pending U. S. G. S. approval.

R - 29 - E



DATE: 2-21-66

TABLE I
MALAGA UNIT
EDDY COUNTY, NEW MEXICO

RATIFICATION STATUS
MAY 17, 1967

<u>TRACT</u>	<u>INTEREST</u>	<u>STATUS</u>
1	<u>Working Interest</u> - 0.855000 Tenneco Oil Co. - 100%	Refused to Ratify
	<u>Royalty Interest</u> - 0.145000 U.S.A. - 12.5000% RI	U.S.G.S. approval expected
	Mabel Brunson - 0.5000% ORRI	Ratified
	Stanton Brunson - 0.5000% ORRI	Ratified
	Betty H. Reid & Bush Reid - 1.0000% ORRI	Ratified
2	<u>Working Interest</u> - 0.85000 Reserve Oil & Gas Co. - 41.67% Consolidated Oil & Gas Co. - 37.50% Morris R. Antweil - 14.58% Bethol Corp. - 4.69% Thomas C. Carlson - 1.56%	Ratified Ratified Ratified Ratified Ratified
	<u>Royalty Interest</u> - 0.15000 U.S.A. - 12.5000% R.I.	U.S.G.S. approval expected
	Mabel Brunson - 0.5000% ORRI	Ratified
	Stanton Brunson - 0.5000% ORRI	Ratified
	Scott A. Murray - 0.5000% ORRI	Ratified
	Betty H. Reid & Bush Reid - 1.0000% ORRI	Ratified
3	<u>Working Interest</u>	Unleased
	<u>Royalty Interest</u> U.S.A.	U.S.G.S. approval expected
4	<u>Working Interest</u> - 0.75000 Morris R. Antweil - 100%	Ratified
	<u>Royalty Interest</u> - 0.25000 Harriet James Harrison - 3.1250% RI Raymond H. McDonald - 9.3750% RI Mary Frances Antweil - 5.5000% ORRI Mildred Vickers Etz - 0.7500% ORRI A.N. & Bonnie Etz - 1.0000% ORRI Clay Fay - 2.5000% ORRI Anna Mae Jackson - 0.5000% ORRI Bertha Lee Wright - 0.5000% ORRI Yates Brothers - 1.7500% ORRI	Ratified Ratified Ratified Ratified Ratified Ratified Ratified Ratified Ratified No reply
5	<u>Working Interest</u> - 0.75000 Morris R. Antweil - 100%	Ratified

<u>TRACT</u>	<u>INTEREST</u>	<u>STATUS</u>
5	<u>Royalty Interest - 0.25000</u> Ruth Guitar Alexander - 0.19532% RI Laura Guitar Belcher - 0.19531% RI Frances Virginia Dowling - 1.56250% RI Earl B. Guitar - 0.19532% RI John Guitar, Jr. - 0.19531% RI Repps B. Guitar - 0.19531% RI Harriet James Harrison - 3.12500%RI Raymond H. McDonald - 3.12500%RI O. O. Ogden - 1.56250% RI C. F. & Mattie Pardue - 1.56250% RI Mary Guitar Polk - 0.19531% RI Virginia G. Witherspoon - 0.19531%RI Catherine Guitar Woods - 0.19531%RI Mary Frances Antweil - 5.5000% ORRI Clay Fay - 2.5000% ORRI Mildred Vickers Etz - 0.7500% ORRI A.N. & Bonnie Etz - 1.0000% ORRI Anna Mae Jackson - 0.5000% ORRI Bertha Lee Wright - 1.3750% ORRI Harvey E. Yates - 0.8750% ORRI	No reply No reply Ratified No reply No reply No reply Ratified Ratified No reply Ratified No reply Ratified Ratified Ratified Ratified Ratified Ratified Ratified No reply
6	<u>Working Interest - 0.75000</u> Morris R. Antweil - 100% <u>Royalty Interest - 0.25000</u> Ruth Guitar Alexander - 0.78125% RI Laura Guitar Belcher - 0.78125% RI Earl B. Guitar - 0.78125% RI John Guitar, Jr. - 0.78125% RI Repps B. Guitar - 0.78125% RI C.P. & Mattie Pardue - 6.2500% RI Mary Guitar Polk - 0.78125% RI Virginia G. Witherspoon - 0.78125%RI Catherine Guitar Woods - 0.78125%RI Mary Frances Antweil - 5.5000% ORRI Mildred Vickers Etz - 0.7500ORRI A.N. & Bonnie Etz - 1.0000% ORRI Clay Fay - 2.5000% ORRI Anna Mae Jackson - 0.5000% ORRI Bertha Lee Wright - 2.2500% ORRI	Ratified No reply No reply No reply No reply No reply Ratified No reply Ratified No reply Ratified Ratified Ratified Ratified Ratified Ratified
7	<u>Working Interest - 0.75000</u> Morris R. Antweil - 100% <u>Royalty Interest - 0.25000</u> Ruth Guitar Alexander - 0.58593%RI Laura Guitar Belcher - 0.58594%RI Earl B. Guitar - 0.58593% RI John Guitar, Jr. - 0.58594% RI Repps B. Guitar - 0.58594% RI L.C.& Alice Hannah - 1.56250% RI	Ratified No reply No reply No reply No reply No reply Ratified

<u>TRACT</u>	<u>INTEREST</u>	<u>STATUS</u>
7	<u>Royalty Interest - continued</u>	
	C.P. & Mollie Pardue - 4.6875% RI	Ratified
	Mary Guitar Polk - 0.58594% RI	No reply
	Guillermo & Flora Ruiz - 1.56250% RI	Ratified
	Virginia G. Witherspoon - 0.58594% RI	Ratified
	Catherine Guitar Woods - 0.58594% RI	No reply
	Mary Frances Antweil - 5.5000% ORRI	Ratified
	Mildred Vickers Etz - 0.7500% ORRI	Ratified
	A.N. & Bonnie Etz - 1.0000% ORRI	Ratified
	Clay Fay - 2.5000% ORRI	Ratified
	Anna Mae Jackson - 0.5000% ORRI	Ratified
	Bertha Lee Wright - 2.2500% ORRI	Ratified
8	<u>Working Interest - 0.75000</u>	
	Morris R. Antweil - 100%	Ratified
	<u>Royalty Interest - 0.25000</u>	
	L.C. & Alice E. Hannah - 12.500% RI	Ratified
	Mary Frances Antweil - 5.500% ORRI	Ratified
	Mildred Vickers Etz - 0.750% ORRI	Ratified
	A.N. & Bonnie Etz - 1.000% ORRI	Ratified
	Clay Fay - 2.500% ORRI	Ratified
	Anna Mae Jackson - 0.500% ORRI	Ratified
	Bertha Lee Wright - 2.250% ORRI	Ratified
9	<u>Working Interest - 0.75000</u>	
	Morris R. Antweil - 100%	Ratified
	<u>Royalty Interest - 0.25000</u>	
	Vera Claer Bennett - 1.250% RI	Ratified
	Tenneco Oil Co. - 2.500% RI	Ratified
	Floy Ann Prewitt - 6.250% RI	Ratified
	Bertha Lee Wright - 2.500% RI	Ratified
	Mary Frances Antweil - 5.500% ORRI	Ratified
	Mildred Vickers Etz - 0.750% ORRI	Ratified
	A.N. & Bonnie Etz - 1.000% ORRI	Ratified
	Clay Fay - 2.500% ORRI	Ratified
	Anna Mae Jackson - 0.500% ORRI	Ratified
	Bertha Lee Wright - 2.250% ORRI	Ratified
10	<u>Working Interest - 0.8691667</u>	
	Reserve Oil & Gas Co. - 88.89%	Ratified
	Morris R. Antweil - 11.11%	Ratified
	<u>Royalty Interest - 0.1308333</u>	
	Anna Hoag Landrum - 10.15620% RI	Ratified
	Frances Brooks - 2.34380% RI	Ratified
	Scott A. Murray - 0.58333% ORRI	Ratified

<u>TRACT</u>	<u>INTEREST</u>	<u>STATUS</u>
11	<u>Working Interest</u> - 0.75000 Morris R. Antweil - 100%	Ratified
	<u>Royalty Interest</u> - 0.25000 Ethel C. Skinner - 9.37500% RI J. A. Farris - 1.56250% RI H. N. Smith - 1.56250% RI Mary Frances Antweil - 12.5000% ORRI	Ratified No reply Ratified Ratified
12	<u>Working Interest</u> - 0.87000 Reserve Oil & Gas Co. - 41.67% Consolidated Oil & Gas Co. - 37.50% Morris R. Antweil - 14.58% Bethol Corp. - 4.69% Thomas C. Carlson - 1.56%	Ratified Ratified Ratified Ratified Ratified
	<u>Royalty Interest</u> - 0.13000 Valley Land Co. - 12.500% RI Scott A. Murray - 0.500% ORRI	Refused to ratify Ratified
13	<u>Working Interest</u> - 0.75000 Morris R. Antweil - 100%	Ratified
	<u>Royalty Interest</u> - 0.25000 Valley Land Co. - 12.500% RI Mary Frances Antweil - 12.500% ORRI	Refused to ratify Ratified

MALAGA UNIT
SUMMARY OF RATIFICATION
MAY 17, 1967

<u>TRACT</u>	<u>PERCENT RATIFIED</u>	
	<u>WORKING INTEREST</u>	<u>ROYALTY INTEREST</u>
1	0	U. S. G. S.
2	100%	U. S. G. S.
3	-	U. S. G. S.
4	100%	93.00%
5	100%	84.78%
6	100%	78.12%
7	100%	83.59%
8	100%	100.00%
9	100%	100.00%
10	100%	100.00%
11	100%	93.75%
12	100%	3.85%
13	100%	50.00%

U.S.G.S. final approval requested by application on May 11, 1967.