

Oil Reports and Gas Services, Inc.

P. O. BOX 763
HOBBS, NEW MEXICO 88240

November 30, 1978

PHONE NUMBERS
393-2727 - 393-2017

Oil Conservation Division
P. O. Box 2089
Santa Fe, New Mexico 87501

Gentlemen:

Application is hereby made on behalf of Sam D. Ares for administrative approval of a 160-acre non-standard Jalmat Gas Proration Unit to comprise the SE/4 of Section 35, Township 24 South, Range 36 East, to be dedicated to the Cities Service Federal No. 4, located 990 feet from the South line and 330 feet from the East line of said Section 35. The well is currently being produced on an 80-acre non-standard proration unit authorized by Administrative Order NSP-1040.

The E/2 SE/4 of Section 35 is federal lease NM-0241 and the W/2 SE/4 of Section 35 is federal lease LC-032618-A. A communitization agreement has been signed by all interest owners. Enclosed is a copy of Exhibit "A" setting forth these owners and their interest.

Attached is a plat showing the acreage involved and the offset operators. Cities Service Federal No. 2 shown on the plat was temporarily abandoned January 1, 1977. Offset operators have been furnished a copy of this application and plat by certified mail.

Yours very truly,

OIL REPORTS & GAS SERVICES, INC.


(Mrs.) Donna Holler

DH/kd

cc: Continental Oil Company
P. O. Box 959
Midland, Texas 79701

Shell Oil Company
P. O. Box 1509
Midland, Texas 79701

Texas Pacific Oil Co., Inc.
P. O. Box 4067
Midland, Texas 79701

No. 719271

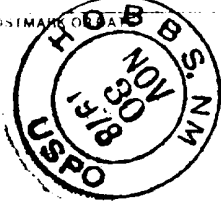
RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL

(See Reverse)

SENT TO		Texas Pacific Oil Co., Inc.	
STREET AND NO.		P. O. Box 4067	
P.O. STATE AND ZIP CODE		Midland, Texas 79701	
POSTAGE		\$ 1.50	
CONSULT POSTMASTER FOR FEES	CERTIFIED MAIL	80 c	
	SPECIAL DELIVERY	45 c	
	RESTRICTED DELIVERY	0 c	
	SHOW TO WHOM DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	0 c	
	SHOW TO WHOM DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	0 c	
TOTAL POSTAGE AND FEES		\$ 1.40	
POSTMARK OR DATE			

PS Form 3800, Apr. 1976



No. 719203

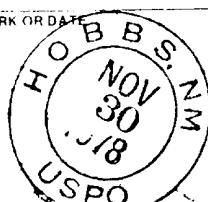
RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL

(See Reverse)

SENT TO		Continental Oil Co.	
STREET AND NO.		P. O. Box 959	
P.O. STATE AND ZIP CODE		Midland, TX 79701	
POSTAGE		0.15 0.80	
CONSULT POSTMASTER FOR FEES	CERTIFIED MAIL	0.45 c	
	SPECIAL DELIVERY	0 c	
	RESTRICTED DELIVERY	0 c	
	SHOW TO WHOM DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	0 c	
	SHOW TO WHOM DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	0 c	
TOTAL POSTAGE AND FEES		\$ 1.40	
POSTMARK OR DATE			

PS Form 3800, Apr. 1976



No. 719270

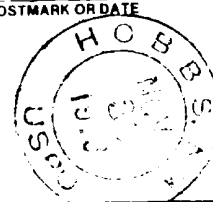
RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL

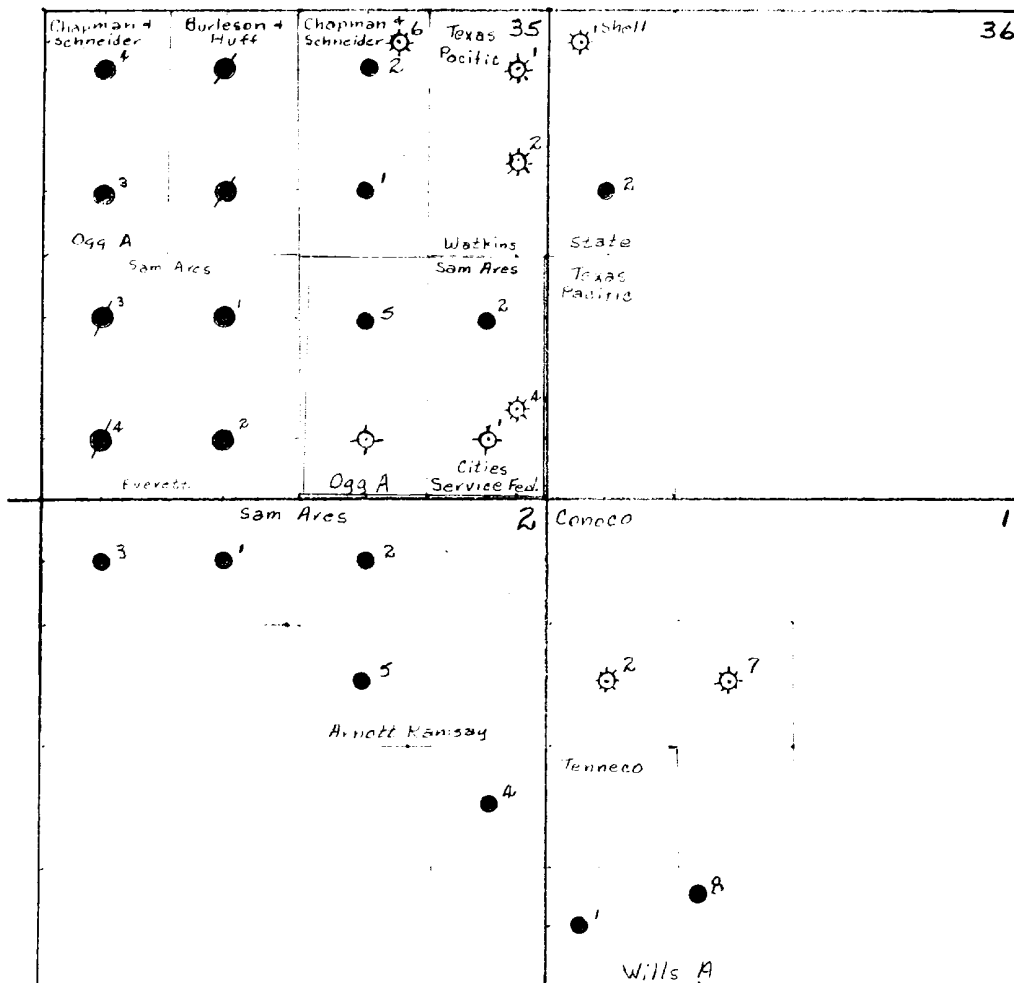
(See Reverse)

SENT TO		Shell Oil Company	
STREET AND NO.		P. O. Box 1509	
P.O. STATE AND ZIP CODE		Midland, Texas 79701	
POSTAGE		\$ 1.50	
CONSULT POSTMASTER FOR FEES	CERTIFIED MAIL	80 c	
	SPECIAL DELIVERY	45 c	
	RESTRICTED DELIVERY	0 c	
	SHOW TO WHOM DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	0 c	
	SHOW TO WHOM DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	0 c	
TOTAL POSTAGE AND FEES		\$ 1.40	
POSTMARK OR DATE			

PS Form 3800, Apr. 1976



R 36 E



T
24
S

T
25
S

Sam D. Ares
Proposed 160-acre Unit
SE/4 Section 35, T24S, R36E
Lea County, New Mexico

Scale: 1" = 2,000'

Exhibit "A" to Communitization Agreement
Dated January 1, 1978, embracing SE/4 of
Section 35, Township 24 South, Range 36 East,
Lea County, New Mexico

Operator of Communitized Area:

Ares Production Company

Description of Leases Committed

Tract No. 1

Lessor:	United States of America
Lessee of Record:	Cities Service Oil Company
Serial No. of Lease:	NM-0241
Date of Lease:	October 1, 1949
Description of Lands Committed:	E/2 SE/4 Section 35, T24S, R36E
Number of Acres:	80
Working Interest and Percentage:	Ares Production Company 65%
	Sam D. Ares 35%
ORRI and Percentage:	Cities Service Oil Company 6.25%

Tract No. 2

Lessor:	United States of America
Lessee of Record:	Texaco, Inc.
Serial No. of Lease:	LC-032618-A
Date of Lease:	December 1, 1954
Description of Lands Committed:	W/2 SE/4 Section 35, T24S, R36E
Number of Acres:	80
Working Interest and Percentage:	Chapman & Schneider 100%
ORRI and Percentage:	Atlantic Richfield Company .6875%
	Estate of George H. Coates .64167%
	Estate of Gordon M. Cone .125%
	F. J. Evans 1.0%
	General Crude Oil Company .75%
	Ed N. Harrison .1875%
	Ed N. Harrison, Trustee U/W of
	Thomas S. Harrison .09375%
	Elisa Wiley Harrison .04688%
	Johnny Ruth Harrison .04687%
	Bank of California N. A. Trustee,
	U/W/D Thomas S. Harrison, Jr. .1875%
	Higgins Trust, Inc. .75%
	John W. Locke .125%
	Robert L. Locke .125%
	Marshall & Winston, Inc. .50%
	Ruth Harrison Matthes .1875%
	Mobil Oil Corporation .75%
	Ralph Nix .375%
	Sabine Corporation .50%
	H. Dillard Schenck .125%
	Cecile V. Stafford .29583%

Recapitulation

<u>Tract Number</u>	<u>Number of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	80	50%
2	80	50%
	<u>160</u>	<u>100%</u>