

CASE 3188: Application of MALETA  
Y. BRIMHALL & BARBARA BURNHAM FOR  
FORCE-POOLING, SAN JUAN COUNTY.

DOCKET MAILED

Date 12-24-64

92

\$85,297.79 = \$275.18

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CASE NO.

3188

Application,  
TRANSCRIPTS,  
SMALL Exhibits  
ETC.

RECEIVED

PLC  
MR. [unclear]

'65 AUG 5 PM 11

August 2, 1965

The First National Bank  
Farmington, New Mexico

Attention: Mr. D. C. Pittman

Re: Forced Pooling Order R-2877  
Case No. 3188

Gentlemen:

In compliance with Paragraph 12 of the captioned Forced Pooling Order, dated March 15, 1965, we are enclosing our Division Order No. 43 effective April 1, 1965, which has been prepared for the signature of the First National Bank of Farmington as Escrow Agent for the proceeds from production from the Nell Hall No. 1 Well. The interest so credited is held in escrow for Barbara Burnham and Maleta Y. Brimhall and represents the 1/8th royalty created by virtue of the above Forced Pooling Order.

Upon receipt of the executed Division Order this royalty interest will be placed in line for payment to your Bank for the Brimhall - Burnham Escrow Account No. 1, and should only be paid to the true owner thereof, upon demand and proof of ownership.

Yours very truly,

BETA DEVELOPMENT CO.

*[Signature]*  
Tom Cowan  
Land Department

TC:tk

Enclosure

cc: Mr. J. H. Durrell, Jr.,  
Attorney, New Mexico Oil Conservation Commission  
P. O. Box 2038, Santa Fe, New Mexico

Barbara Burnham, P. O. Box 900, Farmington, New Mexico

Maleta Y. Brimhall, 3347 N. Grandwood, Phoenix, Arizona

April 26, 1965

*File Case 3188*

Mr. Johnston Jeffries  
Attorney at Law  
Walters Building  
Aztec, New Mexico

Dear Mr. Jeffries:

In accordance with Mr. Christy's request attached to this letter is a schedule of the operating cost on the Nell Hall No. 1 well for November 1964 through March 1965. I believe Mr. Christy has previously furnished you a prior months operating cost.

Yours very truly,

BETA DEVELOPMENT CO.

*John T. Hampton*  
John T. Hampton, Manager

JTHmcg

cc: D. S. Nutter  
N.M. Oil Conservation Commission  
Box 2088, Santa Fe, N.M.  
S. B. Christy  
Tom Cowan

NELL HALL NO. 1

YEAR	MONTH	PRODUCING WELL OVERHEAD	DISTRICT LEASE EXPENSE	OTHER CHARGES (SEE BELOW)	TOTAL
1964	November	\$ 50.00	\$ 62.51	\$ 94.43	\$ 206.94
1964	December	50.00	55.95		105.95
1965	January	50.00	65.51		115.51
	February	50.00	53.28		103.28
	March	<u>50.00</u>	<u>54.16</u>	<u>      </u>	<u>104.16</u>
		\$ 250.00	\$ 291.41	\$ 94.43	\$ 635.84

Other Charges:

<u>Voucher No.</u>	<u>Description</u>	<u>Amount</u>
A 11-16	1964 Ad Valorem Taxes	\$ 94.43

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:

CASE No. 3188  
Order No. R-2877-A

APPLICATION OF MALETA Y. BRIMHALL  
AND BARBARA BURNHAM FOR COMPULSORY  
POOLING, SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing de novo at 9 o'clock a.m.  
on May 19, 1965, at Santa Fe, New Mexico, before the Oil Conser-  
vation Commission of New Mexico, hereinafter referred to as the  
"Commission."

NOW, on this 1st day of June, 1965, the Commission, a  
quorum being present, having considered the record, and being  
fully advised in the premises,

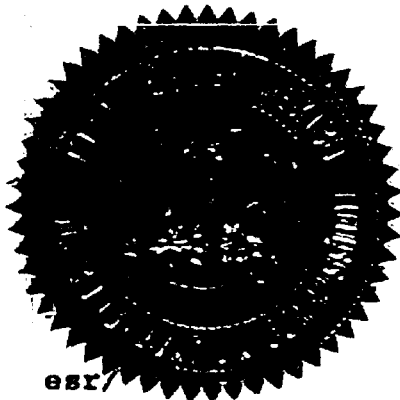
FINDS:

That Beta Development Company's request for dismissal of  
the application for hearing de novo should be granted.

IT IS THEREFORE ORDERED:

That the application for hearing de novo is hereby  
dismissed.

DONE at Santa Fe, New Mexico, on the day and year herein-  
above designated.



STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

*Jack M. Campbell*  
JACK M. CAMPBELL, Chairman

*Guyton B. Hays*  
GUYTON B. HAYS, Member

*A. L. Porter, Jr.*  
A. L. PORTER, Jr., Member & Secretary

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED  
BY THE OIL CONSERVATION COMMISSION  
OF NEW MEXICO FOR THE PURPOSE OF  
CONSIDERING:

Case No. 3188

APPLICATION OF MALETA Y. BRIMHALL  
AND BARBARA BURNHAM FOR COMPULSORY  
POOLING, SAN JUAN COUNTY, NEW MEXICO.

APPLICATION FOR HEARING DE NOVO  
BEFORE THE COMMISSION

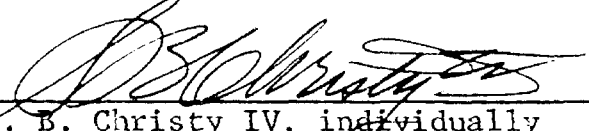
COMES NOW, Beta Development Co., a party adversely affected by Order R-2877, dated March 15, 1965, entered in the captioned case, and pursuant to Rule 1220 of the New Mexico Oil Conservation Commission's Rules and Regulations hereby makes application that the above matter or proceeding be heard de novo before the Commission, and for grounds thereof states:

1. Beta Development Co. is a party adversely affected by such Order.
2. This Application is filed within thirty (30) days from the date such Order was rendered.

WHEREFORE, the undersigned applicant, a party adversely affected by Order R-2877 dated March 15, 1965, rendered in the above case, and as a matter of right, files herewith its written Application for a hearing de novo in Case No. 3188 before the Commission.

BETA DEVELOPMENT CO.

By

  
S. B. Christy IV, individually  
and as a member of the firm of  
Hinkle, Bondurant & Christy,  
Attorneys at Law, P.O. Box 10,  
Roswell, New Mexico

DOCKET MAILED

DOCKET MAILED

~~Date~~

~~Date~~

Attorneys for the Applicant,  
Beta Development Co.

GOVERNOR  
JACK M. CAMPBELL  
CHAIRMAN

State of New Mexico  
**Oil Conservation Commission**



LAND COMMISSIONER  
GUYTON B. HAYS  
MEMBER

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

P. O. BOX 2088  
SANTA FE

June 1, 1965

Mr. Sim Christy  
Hinkle, Bondurant & Christy  
Attorneys at Law  
Post Office Box 10  
Roswell, New Mexico

Re: Case No. 3188  
Order No. R-2877-A  
Applicant:  
Maleta Brimhall & Barbara  
Burnham

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

ir/

Carbon copy of order also sent to:

Hobbs OCC   X  

Artesia OCC       

Aztec OCC   X  

OTHER Mr. Johnston Jeffries



OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO

May 27, 1965

C  
O  
P  
Y

Hinkle, Bondurant & Christy  
Attorneys at Law  
Hinkle Building  
Post Office Box 10  
Roswell, New Mexico

Attention: Mr. S. B. Christy IV

Re: Order No. R-2877, Case No. 3188  
Your No. 65-1-13

Gentlemen:

We have your letter of May 24, 1965, requesting an extension of time to and including September 1, 1965, to comply with the provisions of paragraph 12 of the above order.

The Commission has approved your request.

Very truly yours,

J. M. DURRETT, Jr.  
Attorney

JMD/esr

CLARENCE E. HINKLE  
W. E. BONDURANT, JR.  
S. B. CHRISTY IV  
LEWIS C. COX, JR.  
PAUL W. EATON, JR.  
CONRAD E. COFFIELD  
HAROLD L. HENSLEY, JR.  
MICHAEL R. WALLER

LAW OFFICES  
HINKLE, BONDURANT & CHRISTY  
HINKLE BUILDING  
ROSWELL, NEW MEXICO

OF COUNSEL: HIRSH M. DOW  
TELEPHONE 622-6510  
AREA CODE 505  
POST OFFICE BOX 10

May 24, 1965

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

Attention: Mr. James Durrett, Legal Department

Re: Order No. R-2877  
Case No. 3188  
Our No. 65-1-13

Gentlemen:

Your captioned Order was entered March 15, 1965, and an appeal therefrom was dismissed approximately April 16, 1965.

Paragraph 12 of the Order provides that all proceeds from production of the well not distributed for any reason shall be placed in escrow in San Juan County, New Mexico to be paid to the true owner thereof upon demand and proof of ownership. This paragraph then provides that Beta Development Co. shall notify the Commission the name and address of said escrow agent within ninety days from the date of the Order.

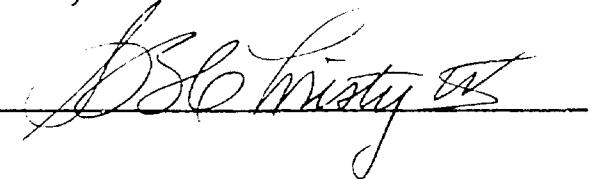
Beta is currently negotiating with Maleta Y. Brimhall and Barbara Burnham in an effort to reach an agreement to carry out the terms and provisions of the Commission's Order, and we would therefore appreciate an extension of time to and including September 1, 1965 to comply with the provisions of paragraph 12 of the above Order.

Thanking you in advance for your consideration to the foregoing, we are,

Yours very truly,

HINKLE, BONDURANT & CHRISTY

By



SBC:jy  
cc: Mr. Tom Cowan  
cc: Mr. Whitfield J. Collins

CLARENCE E. HINKLE  
W. E. BONDURANT, JR.  
S. B. CHRISTY IV  
LEWIS C. COX, JR.  
PAUL W. EATON, JR.  
CONRAD E. COFFIELD  
HAROLD L. HENSLEY, JR.  
MICHAEL R. WALLER

LAW OFFICES  
HINKLE, BONDURANT & CHRISTY  
HINKLE BUILDING  
ROSWELL, NEW MEXICO  
April 15, 1965

OF COUNSEL: HIRAM M. DOW  
TELEPHONE 622-6510  
AREA CODE 505  
POST OFFICE Box 10

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

Re: Case No. 3188  
Order R-2877

*Set for May 19th*

Gentlemen:

The captioned Order was entered March 15, 1965, and in behalf of Beta Development Co., we have heretofore filed an application for hearing de novo before the Commission.

At the request of Beta Development Co. and with the concurrence of El Paso Natural Gas Company, the application for hearing de novo is hereby dismissed.

Compliance by Beta of the applicable provisions of the captioned Order will be made within thirty days from this date.

Respectfully,

HINKLE, BONDURANT & CHRISTY

By 

SBC:jy

cc: Mr. T. N. Shults  
cc: Mr. Whitfield J. Collins  
cc: Mr. Tom Cowan  
cc: Mr. John Hampton  
cc: Mr. Sam Smith  
cc: Mr. L. D. Horne  
cc: Mr. Johnston Jeffries

DOCKET MAILED

Date 4-15-65

C O P Y

HINKLE, BONDURANT & CHRISTY  
ROSWELL, NEW MEXICO

April 15, 1965

Mr. Johnston Jeffries  
Attorney at Law  
Walters Building  
Aztec, New Mexico

Re: Case No. 3188  
Order R-2877

Dear Mr. Jeffries:

We are enclosing herewith copy of our letter dated this date dismissing the application of Beta Development Co. for hearing de novo before the New Mexico Oil Conservation Commission.

Pursuant to the terms of the captioned Order, we enclose herewith detailed statement of actual well costs for the drilling and completion of the Nell Hall No. 1 Well located in the W $\frac{1}{2}$  Section 7, Township 30 North, Range 11 West, N.M.P.M., San Juan County, New Mexico; there is also attached a detailed statement of actual operating expenses from completion of the well in September of 1963 down to and including the month of October 1964. Beta's Mr. John Hampton will furnish you a statement of actual operating costs for the months of November 1964 to March 1965 inclusive, and subsequent operating costs will be billed on the basis of the captioned Order.

Pursuant to the terms of the captioned Order, you clients should have a right to pay their share of the actual above costs within thirty days from the date of receipt of this letter, failing in which the same will be recovered out of 125% of the working interest attributable to your clients' interest in the above lands and production from the above lease. Please promptly notify this office of the election of your clients in the foregoing regard.

Respectfully,

HINKLE, BONDURANT & CHRISTY

SEC:jy  
Encl.

cc: New Mexico Oil Conservation Commission

cc: Mr. T. N. Shults

cc: Mr. Tom Cowen

cc: Mr. L. D. Horne

cc: Mr. Whitfield J. Collins

cc: Mr. John Hampton

WELL HALL No.1

PAYEE	DESCRIPTION	DRILLING EXPENSE	COMPLETION COSTS
Rocky Mountain Dry Drilling	Drill rat & mouse hole	214.12	
San Juan Engr. Co.	Stake location	102.00	
Industrial Supply Co.	Supplies	2,234.14	
Industrial Supply Co.	Bits	2,192.07	
Industrial Supply Co.	Csn.head Hsg.gaskets, etc.		339.01
Industrial Supply Co.	2223'9" 5 1/2" csg.		4,323.46
Industrial Supply Co.	4412'1" 5 1/2" csg.		8,578.07
Northern Mud Co.	Drilling Mud	2,399.13	
Halliburton Co.	Cement surface csg.	734.98	
Caldwell Rig & Const.	Drig. bits resurface	204.00	
Justis Supply Co.	Welding & cutting on rig	131.15	
Arrow Gas Service	Fuel	462.47	
Huron February trucking	Moving, rig up etc.	2,114.00	
Huron February trucking	Hauling water	910.00	
Industrial Supply Co.	Drilling bits	2,012.21	
Industrial Supply Co.	Drilling bits	1,155.14	
Industrial Supply Co.	Drilling bits	367.36	
Industrial Supply Co.	6701'4" 2-3/8" J-55 tubing		4,447.09
Industrial Supply Co.	Scratchers,centralizers,cement guide, etc.		1,184.59
Industrial Supply Co.	Supplies	281.34	
B. & R Service, Inc.	Choke rental & service		201.45
San Juan Casing	Ran casing		649.23
Schlumberger	2 induction electric log	1,805.93	
Northern Mud Co.	Drilling mud	209.92	
Justis Supply Co.	Cut pipe weld guide shoe		46.41
Pan Geo. Atlas, Corp.	Perforating 312 holes		3,011.62
Halliburton	Cement production string		1,282.04
Halliburton	Cement production string		1,200.33
Halliburton	Special tool		275.40
Halliburton	Test casing		220.32
Halliburton	20-40 bulk frack sand		2,836.21
Halliburton	Gel water - frack		7,012.65
Geolograph	Geolograph	85.68	
Northern Mud	Drilling mud	710.78	
Huron Drilling Co.	Payroll February	2,894.70	
Halliburton	Measuring device	273.20	
Industrial Supply Co.	Ells, tees, etc.		76.44
Huron Drilling Co.	Payroll March	8,666.81	
Justis Supply Co.	Welding	17.85	
Arrow Gas Service	Fuel	226.75	
S.S.Reames Well Service	Swabbed hole down & test dry		145.46
Basin Industrial Co.	Rental 5 1/2" elevators		40.80
Huron Drilling Co.	Cash payments for supplies	753.17	
Atomic Sign Service	Well sign	12.88	
Justis Supply Co.	Welding		14.28
Southern Union Gas Co.	Drilling gas hook up charge	150.00	
Accts. Rec. Factoring Corp.	Location road	320.17	
Halliburton	D.V.Mult. stage cementer		838.44
Northern Specialty Co.	Supply, stripper rubber	229.00	
Huron Drilling Co.	Cash supplies	81.25	
Huron Drilling Co.	Depreciation allocated - rig	2,625.00	
Huron Drilling Co.	Trkg. 2,223'9" 5 1/2" csg.from Pueblo		314.72

PAYEE	DESCRIPTION	DRILLING EXPENSE	COMPLETION COSTS
Huron Drilling Co.	Trkg 1951'3" 5 1/2" csg from Pueblo, Colo.		281.19
Huron Drilling Co.	Trkg. 2460'10" 5 1/2" csg from Pueblo, Colo.		353.62
Huron Drilling Co.	Haul gas drilling head	42.00	
Huron Drilling Co.	Lay blue line	98.00	
Huron Drilling Co.	Trkg. pickup water line clean loc.	126.00	
MBR, Inc.	Hookup battery, paint wellhead		258.37
Industrial Supply	Posts, wires, paint		41.36
Industrial Supply	Supplies	1,216.34	
Industrial Supply	Supplies	369.05	
Industrial Supply	Gaskets, studs, nipples		115.17
Industrial Supply	Comp. equip.		1,447.95
Industrial Supply	Comp. equip.		121.32
Industrial Supply	Supplies	809.19	
Industrial Supply	Completion supplies		197.20
Basin Industrial Co.	Rental on adapter flange 3" kelley 2-3/7" sub 3" drive bushing		288.81
Basin Industrial Co.	Fishing tool rental	551.82	
Mid Continent Supply	Supplies	11.02	
Industrial Supply Co.	Surface casing	1,355.85	
Panhandle Steel Products	210 bbl. 1/4-3-3, 10'x15' welded steel storage tank Serial #4425		1,019.30
Panhandle Steel Products	1" rolling line installed		31.32
Panhandle Steel Products	2" Downcomer installed		21.84
Panhandle Steel Products	Set of tar paper		4.16
Panhandle Steel Products	4' single tank landing		31.37
Panhandle Steel Products	API stairway for 15' high tank		137.27
Panhandle Steel Products	2" #920-50 Enardo stack valve w/ wts for 4 oz		37.75
Panhandle Steel Products	Anti-freeze gas production unit Model 30-500 w/30" spherical three phase oil & gas separator w/500,000 BTU indirect heater, 2" 3000# WP coils, Enardo burner & all Std. Accessories, Serial #PV-1137		3,609.62
	Add f/3rd phase water draw off controls, liquid level controller, valve & gauge column		500.00
	Split heater coil & long nose choke instead of single coil & short nose choke		97.75
	Fisher hi-low shut down valve 2" type 4102UR-125P comp.w/regulator & start up by-pass & valve		323.92
	2" gas piping from gas outlet to skid edge ending at union		30.00
	Insulating outside liquid section on vertical portion of separator (Deduct for Thermostat not required in gas section of separator)		70.00 (26.00)

PAYEE	DESCRIPTION	DRILLING EXPENSE	COMPLETION COSTS
Panhandle Steel Products	Reinforced concrete foundation blocks		60.00
Panhandle Steel Products	Delivery of tank to location and set		<u>50.00</u>
Total Cost Drilling & Completion to date		\$ 39,156.47	\$ 46,141.31
Total			\$ 85,297.78

NELL HALL NO. 1

YEAR	MONTH	PRODUCING WELL OVERHEAD	DISTRICT LEASE EXPENSE	OTHER CHARGES (SEE BELOW)	TOTAL
1963	September	\$ 50.00	\$ 48.23		\$ 98.23
	October	50.00	62.79		112.79
	November	50.00	92.08		142.08
	December	50.00	73.71		123.71
1964	January	50.00	67.36	44.76	162.12
	February	50.00	66.22		116.22
	March	50.00	61.39		111.39
	April	50.00	71.70		121.70
	May	50.00	81.07		131.07
	June	50.00	55.64		105.64
	July	50.00	55.95		105.95
	August	50.00	54.38		104.38
	September	50.00	56.74		106.74
	October	<u>50.00</u>	<u>68.62</u>		<u>118.62</u>
		\$ 700.00	\$ 960.64		\$ 1,660.64
		Average	68.62		118.62

Other Charges

<u>Voucher No.</u>	<u>Description</u>	<u>Amount</u>
1-59	1963 Ad Valorem Taxes (1/3)	\$ 44.76



OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO

LEGAL DIVISION  
PHONE 827-2741

April 1, 1965

Mr. Johnston Jeffries  
Attorney at Law  
Walters Building  
Aztec, New Mexico

DOCKET MAILED

Date 5-5-65

Re: Case No. 3188  
Order No. R-2877

Dear Johnston:

I have your letter of March 25, 1965. I am enclosing a copy of the application for hearing de novo. As the Commission's rules require the docketing of a hearing de novo for the next regular hearing following 15 days after receipt of the application, the case will be docketed for the regular hearing to be held on April 14 in Hobbs and continued on that date to the regular May hearing to be held on May 19, 1965, in Santa Fe. A copy of the April docket will be forwarded to you in the near future and a copy of the May docket will be forwarded to you prior to the May hearing.

As we have discussed, it will probably be necessary to have an expert witness testify concerning the prevention of waste.

I will keep you advised of any further developments in this case.

Very truly yours,

J. M. DURRETT, Jr.  
Attorney

JMD/esr  
Enclosure

C  
O  
P  
Y

WALTERS BUILDING

PHONE FE 4-6431

JOHNSTON JEFFRIES

ATTORNEY-AT-LAW  
AZTEC, NEW MEXICO

MARCH 25, 1965

MR. JIM DURETT, JR.  
NEW MEXICO OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

RE: BRIMHALL, CASE NO. 3188  
ORDER NO. R-2877

DEAR JIM:

TO DATE I HAVE HEARD NOTHING FROM CRISTY ABOUT THE APPLICATION FOR  
HEARING DE NOVO BEFORE THE COMMISSION.

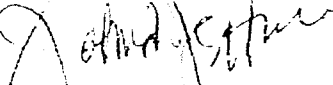
I DID READ THE CASE YOU CITED AND CAN SEE THE PROBLEM PRESENTED IN  
THAT APPARENTLY THE ORDER IN QUESTION DID NOT MAKE ANY FINDING ABOUT  
WASTE BEING COMMITTED OR BEING PREVENTED BY THE ORDER.

IT WOULD SEEM THAT ALL ORDERS WOULD BE SUBJECT TO THIS DEFECT SINCE  
NONE OF THEM APPEAR TO MAKE ANY SUCH FINDING. COULD THE PROBLEM BE  
MET BY HAVING A GEOLOGIST AT EACH HEARING TESTIFY GENERALLY THAT  
WASTE IS BEING COMMITTED BY NOT FORCE POOLING AND THAT SUCH WASTE  
COULD, IN HIS OPINION BE PREVENTED BY THE FORCE POOLING ACTION?

MY PROBLEM IN THIS SITUATION, IS, AS YOU CAN OBVIOUSLY SEE, THAT THE  
WORK AND EXPENSE INVOLVED IN CONTESTING THE MATTER IS NOT JUSTIFIED BY  
THE AMOUNT TO BE GAINED OR EVEN SAVED WHERE SUCH SMALL ACREAGE IS  
OWNED.

PLEASE ADVISE IF I WILL RECEIVE ANYTHING IN THE WAY OF OFFICIAL NOTICE  
FROM THE OTHER SIDE.

YOURS VERY TRULY,

  
JOHNSTON JEFFRIES

WALTERS BUILDING

PHONE FE 4-6431

*file  
Brimhall pending case*

JOHNSTON JEFFRIES

ATTORNEY-AT-LAW  
AZTEC, NEW MEXICO

April 7, 1965

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

Dear Jim:

As you can see from the enclosed copy, this matter is rather fouled up with my client.

I perhaps should not have communicated to him the informal conversation with Mr. Hampton of Beta.

I am inclined to agree with your statements in the telephone conversation and doubt that we could prevail anyhow if we contested the matter.

I would appreciate any information you may have as to whether or not Beta actually intends to go through with this hearing.

Yours very truly,

*[Signature]*

JJ/b  
Encl

DOCKET MAILED

Date 4-8-65

JOHNSTON JEFFRIES

ATTORNEY AT LAW  
AZTEC, NEW MEXICO

April 7, 1965

Mr. H. M. Brimhall  
3049 West Orangewood  
Phoenix, Arizona

Dear Mr. Brimhall:

I enclose copy of Application for hearing de novo before the Oil Conservation Commission, pertaining to the forced pooling order. I received this formal Application after I wrote to you informing you of the more or less "off the record" conversation I had with a Mr. John Hampton of Seta Company.

If you recall, this report indicated that his company would not go through with the hearing, but as far as the record is concerned, we are faced with the hearing and I assume from the notation you placed on my letter to you that you would not care to contest this matter formally before the Commission. In such event we should all understand that if we assert no defense, in all probability the Commission will rule against us.

From a technical standpoint I believe they have an advantage even though we contested the matter at a later date.

From a practical standpoint, as I have mentioned before, there is really not enough money at stake to justify any more legal expense on your part. However, it is very discouraging to have won the case at the first hearing and more or less have to "throw in the towel" on the second hearing which is coming up some time in May, probably May 19.

Thank you very much for all of your cooperation in this matter.

Yours very truly,

JJ/b

Encl

cc - Mr. Don Jensen  
Mr. Emory Arnold  
Mr. Jim Durrett

DOCKET: REGULAR HEARING - WEDNESDAY - MAY 19, 1965

OIL CONSERVATION COMMISSION - 9 A.M. - MORGAN HALL, STATE LAND OFFICE  
BUILDING, SANTA FE, NEW MEXICO

- ALLOWABLE: (1) Consideration of the oil allowable for June, 1965.
- (2) Consideration of the allowable production of gas for June, 1965, from twelve prorated pools in Lea and Eddy Counties, New Mexico, and also presentation of purchaser's nominations for said pools for the six-month period beginning July 1, 1965; consideration of the allowable production of gas from nine prorated pools in San Juan, Rio Arriba and Sandoval Counties, New Mexico, for June, 1965.

CASE 3188 (DE NOVO): (Continued from the April 14th Regular Hearing)

THIS CASE WILL BE DISMISSED AT THE REQUEST OF THE APPLICANT FOR HEARING DE NOVO.

Application of Maleta Y. Brimhall and Barbara Burnham for force-pooling, San Juan County, New Mexico. Applicants, in the above-styled cause, seek an order force-pooling all mineral interests in the Basin-Dakota Pool underlying the W/2 of Section 7, Township 30 North, Range 11 West, San Juan County, New Mexico.

CASE 3236: (Continued from the April 14th Regular Hearing)  
Application of Anadarko Production Company for force-pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order force-pooling all mineral interests in the Indian Basin Upper Pennsylvanian Gas Pool underlying Section 19, Township 21 South, Range 23 East, Eddy County, New Mexico.

CASE 3249: Southeastern New Mexico nomenclature case calling for an order for the creation and extension of certain pools in Eddy, Lea, and Roosevelt Counties, New Mexico:

a) CREATE A new oil pool for Seven Rivers production and designated as the Lusk-Seven Rivers Pool. Said pool described as:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM  
SECTION 3: SE/4

Discovery well is Cactus Drilling Company, Shell Federal No. 1 located in Unit 5 of Section 3, Township 19 South, Range 32 East.

- 2 -

May 19, 1965 Regular Hearing

- b) CREATE A new oil pool for Wolfcamp production and designated as the McMillan-Wolfcamp Pool. Said pool described as:

TOWNSHIP 20 SOUTH, RANGE 27 EAST, NMPM  
SECTION 5: NW/4 NW/4

Discovery well is Harvey E. Yates, Yates Federal #1 Deep No. 1, located in Unit D of Section 5, Township 20 South, Range 27 East.

- c) EXTEND the Fowler-Ellenburger Pool to include therein:

TOWNSHIP 24 SOUTH, RANGE 37 EAST, NMPM  
SECTION 23: SE/4

- d) EXTEND the Henshaw Queen-Grayburg-San Andres Pool to include therein:

TOWNSHIP 16 SOUTH, RANGE 31 EAST, NMPM  
SECTION 18: SW/4 SW/4

- e) EXTEND the Indian Basin-Morrow Gas Pool to include therein:

TOWNSHIP 21 SOUTH, RANGE 23 EAST, NMPM  
SECTION 25: All  
SECTION 36: All

TOWNSHIP 21 SOUTH, RANGE 24 EAST, NMPM  
SECTION 30: All  
SECTION 31: All

- f) EXTEND the Indian Basin-Upper Pennsylvanian Gas Pool to include therein:

TOWNSHIP 21 SOUTH, RANGE 23 EAST, NMPM  
SECTION 9: All  
SECTION 11: All  
SECTION 27: All  
SECTION 28: All  
SECTION 33: All  
SECTION 34: All

TOWNSHIP 21 SOUTH, RANGE 24 EAST, NMPM  
SECTION 33: All

May 19, 1965 Regular Hearing

f) Extension to Indian Basin-Upper Pennsylvanian Gas Pool continued:

TOWNSHIP 22 SOUTH, RANGE 23 EAST, NMPM

SECTION 1: All  
SECTION 2: All  
SECTION 3: All  
SECTION 4: All  
SECTION 5: All  
SECTION 8: All  
SECTION 9: All  
SECTION 10: All  
SECTION 11: All

g) EXTEND the South Lane-Pennsylvanian Pool to include therein:

TOWNSHIP 11 SOUTH, RANGE 34 EAST, NMPM

SECTION 6: W/2 SW/4

h) EXTEND the Lusk-Strawn Pool to include therein:

TOWNSHIP 19 SOUTH, RANGE 31 EAST, NMPM

SECTION 22: SE/4

i) EXTEND the Oil Center-Blinebry Pool to include therein:

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM

SECTION 3: Lots 7, 8, 9, and 16  
SECTION 4: Lots 1 and 8

j) EXTEND the Pearl-Seven Rivers Pool to include therein:

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM

SECTION 35: SE/4  
SECTION 36: N/2 and SW/4

k) EXTEND the East Red Lake-Queen-Grayburg Pool to include therein:

TOWNSHIP 16 SOUTH, RANGE 28 EAST, NMPM

SECTION 27: SE/4 SE/4

l) EXTEND the Skaggs-Drinkard Pool to include therein:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM

SECTION 13: NE/4

- 4 -

May 19, 1965 Regular Hearing

m) EXTEND the Todd-San Andres Gas Pool to include therein:

TOWNSHIP 7 SOUTH, RANGE 35 EAST, NMPM  
SECTION 34: E/2

n) EXTEND vertical limits of the Antelope Ridge-Morrow Pennsylvanian Gas Pool in Lea County 11,854 feet to 13,840 feet.



GOVERNOR  
JACK M. CAMPBELL  
CHAIRMAN

State of New Mexico  
**Oil Conservation Commission**



LAND COMMISSIONER  
GUYTON B. HAYS  
MEMBER

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

P. O. BOX 2088  
SANTA FE

March 15, 1965

Mr. Johnston Jeffries  
Attorney at Law  
Walters Building  
Aztec, New Mexico

Re: Case No. 3188  
Order No. R-2877  
Applicant:

Maleta Y. Brimhall and  
Barbara Burnham

DOCKET MAILED

Date 3-20-65

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

ir/

Carbon copy of order also sent to:

Hobbs OCC X

Artesia OCC       

Aztec OCC X

OTHER Mr. Sim Christy

Mr. Tom Cowan - Beta Development Company

DOCKET MAILED

Date 3-30-65

file  
Case 3188  
[Signature]

January 6, 1965

MEMORANDUM

TO: J. M. Durrett, Jr., Attorney, Oil Conservation  
Commission

FROM: Johnston Jeffries, Attorney at Law

RE: Case No. 3188, Brimhall-Burnham

Dear Jim:

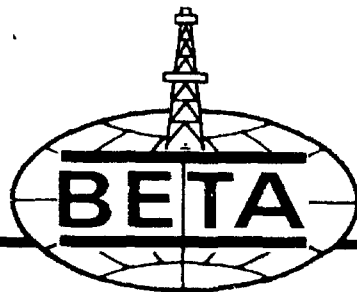
If there are serious doubts by the Commission as to the merit of the application, I would appreciate your informing me of the point or points on which the Commission might be in doubt so that I can furnish authority, if need be, to sustain my position and to answer these objections. I am interested in what particular point or objection the Commission may feel is questionable in their mind in regard to the objections. In other words, I would like an opportunity to answer these objections if the Commission is in any point in doubt as to granting the application.

Thank you.

Johnston Jeffries

PS. It is obvious that there has been some hard feelings between my clients and Beta, and I regret that these personal differences have perhaps caused Beta to take a different attitude than they usually would.

JJ



**BETA DEVELOPMENT CO.**

*Incorporated*

P. O. BOX 189 • FORT WORTH, TEXAS

Reply to:  
254 Petroleum Club Plaza,  
Farmington, New Mexico

January 12, 1965

New Mexico Oil Conservation Commission  
Box 2088  
Santa Fe, New Mexico

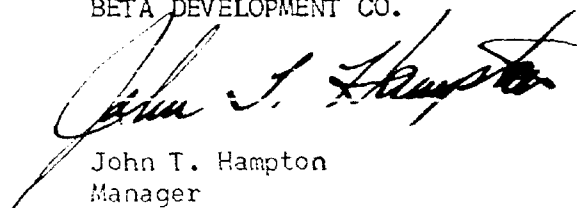
Attention: Mr. Daniel S. Nutter

Gentlemen:

In accordance with your request in Case No. 3188, January 6, 1965,  
we are enclosing the operating cost and drilling and completion  
cost for our Nell Hall well located in the W/2 of Section 7,  
T.30N, R. 11W., San Juan County, New Mexico.

Yours very truly,

BETA DEVELOPMENT CO.

  
John T. Hampton  
Manager

JTHmcg  
cc: S. B. Christie IV  
Tom Cowan

DOCKET MAILED  
Date 1/13/65

NELL HALL No.1

PAYEE	DESCRIPTION	DRILLING EXPENSE	COMPLETION COSTS
Rocky Mountain Dry Drilling	Drill rat & mouse hole	214.12	
San Juan Engr. Co.	Stake location	102.00	
Industrial Supply Co.	Supplies	2,234.14	
Industrial Supply Co.	Bits	2,192.07	
Industrial Supply Co.	Csg.head Hsg.gaskets, etc.		339.01
Industrial Supply Co.	2223'9" 5 $\frac{1}{2}$ " csg.		4,323.46
Industrial Supply Co.	4412'1" 5 $\frac{1}{2}$ " csg.		8,578.07
Northern Mud Co.	Drilling Mud	2,399.13	
Halliburton Co.	Cement surface csg.	734.98	
Caldwell Rig & Const.	Drlg. bits resurface	204.00	
Justis Supply Co.	Welding & cutting on rig	131.15	
Arrow Gas Service	Fuel	462.47	
Huron February trucking	Moving, rig up etc.	2,114.00	
Huron February trucking	Hauling water	910.00	
Industrial Supply Co.	Drilling bits	2,012.21	
Industrial Supply Co.	Drilling bits	1,155.14	
Industrial Supply Co.	Drilling bits	367.36	
Industrial Supply Co.	6701'4" 2-3/8" J-55 tubing		4,447.09
Industrial Supply Co.	Scratchers,centralizers,cement guide, etc.		1,184.59
Industrial Supply Co.	Supplies	281.34	
B & R Service, Inc.	Choke rental & service		201.45
San Juan Casing	Ran casing		649.23
Schlumberger	2 induction electric log	1,805.93	
Northern Mud Co.	Drilling mud	209.92	
Justis Supply Co.	Cut pipe weld guide shoe		46.41
Pan Geo. Atlas, Corp.	Perforating 312 holes		3,011.62
Halliburton	Cement production string		1,282.04
Halliburton	Cement production string		1,200.33
Halliburton	Special tool		275.40
Halliburton	Test casing		220.32
Halliburton	20-40 bulk frack sand		2,836.21
Halliburton	Gel water - frack		7,012.65
Geolograph	Geolograph	85.68	
Northern Mud	Drilling mud	710.78	
Huron Drilling Co.	Payroll February	2,894.70	
Halliburton	Measuring device	273.20	
Industrial Supply Co.	Ells, tees, etc.		76.44
Huron Drilling Co.	Payroll March	8,666.81	
Justis Supply Co.	Welding	17.85	
Arrow Gas Service	Fuel	226.75	
S.S.Reames Well Service	Swabbed hole down & test dry		145.46
Basin Industrial Co.	Rental 5 $\frac{1}{2}$ " elevators		40.80
Huron Drilling Co.	Cash payments for supplies	753.17	
Atomic Sign Service	Well sign	12.88	
Justis Supply Co.	Welding		14.28
Southern Union Gas Co.	Drilling gas hook up charge	150.00	
Accts. Rec. Factoring Corp.	Location road	320.17	
Halliburton	D.V.Mult. stage cementer		838.44
Northern Specialty Co.	Supply, stripper rubber	229.00	
Huron Drilling Co.	Cash supplies	81.25	
Huron Drilling Co.	Depreciation allocated - rig	2,625.00	
Huron Drilling Co.	Trkg. 2,223'9" 5 $\frac{1}{2}$ " csg.from Pueblo		314.72

PAYEE	DESCRIPTION	DRILLING EXPENSE	COMPLETION COSTS
Huron Drilling Co.	Trkg 1951'3" 5 $\frac{1}{2}$ " csg from Pueblo, Colo.		281.19
Huron Drilling Co.	Trkg. 2460'10" 5 $\frac{1}{2}$ " csg from Pueblo, Colo.		353.62
Huron Drilling Co.	Haul gas drilling head	42.00	
Huron Drilling Co.	Lay blue line	98.00	
Huron Drilling Co.	Trkg. pickup water line clean loc.	126.00	
MBR, Inc.	Hookup battery, paint wellhead		258.37
Industrial Supply	Posts, wires, paint		41.36
Industrial Supply	Supplies	1,216.34	
Industrial Supply	Supplies	369.05	
Industrial Supply	Gaskets, studs, nipples		115.17
Industrial Supply	Comp. equip.		1,447.95
Industrial Supply	Comp. equip.		121.32
Industrial Supply	Supplies	809.19	
Industrial Supply	Completion supplies		197.20
Basin Industrial Co.	Rental on adapter flange 3" kelley 2-3/7" sub 3" drive bushing		288.81
Basin Industrial Co.	Fishing tool rental	551.82	
Mid Continent Supply	Supplies	11.02	
Industrial Supply Co.	Surface casing	1,355.85	
Panhandle Steel Products	21C bbl. 1/4-3-3, 10'x15' welded steel storage tank Serial #4425		1,019.30
Panhandle Steel Products	1" rolling line installed		31.32
Panhandle Steel Products	2" Downcomer installed		21.84
Panhandle Steel Products	Set of lar paper		4.16
Panhandle Steel Products	4' single tank landing		31.37
Panhandle Steel Products	API stairway for 15' high tank		137.27
Panhandle Steel Products	2" #920-SO Enardo stack valve w/ wts for 4 oz		37.75
Panhandle Steel Products	Anti-freeze gas production unit Model 30-500 w/30" spherical three phase oil & gas separator w/500,000 BTU indirect heater, 2"3000# WP coils, Enardo burner & all Std. Accessories, Serial #PV-1137 Add f/3rd.phase water draw off controls, liquid level controller, valve & gauge column		3,609.62
	Split heater coil & long nose choke instead of single coil & short nose choke		500.00
	Fisher hi-low shut down valve 2" type 4102UR-125P comp.w/regulator & start up by-pass & valve		97.75
	2" gas piping from gas outlet to skid edge ending at union		323.92
	Insulating outside liquid section on vertical portion of separator (Deduct for: Thermostat not required in gas section of separator)		30.00
			70.00
			(26.00)

NELL HALL NO. 1

Page 3

<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>DRILLING EXPENSE</u>	<u>COMPLETION COSTS</u>
Panhandle Steel Products	Reinforced concrete foundation blocks		60.00
Panhandle Steel Products	Delivery of tank to location and set		<u>50.00</u>
Total Cost Drilling & Completion to date		\$ 39,156.47	\$ 46,141.31
Total			\$ 85,297.78

NELL HALL NO. 1

YEAR	MONTH	PRODUCING WELL OVERHEAD	DISTRICT LEASE EXPENSE	OTHER CHARGES (SEE BELOW)	TOTAL
1963	September	\$ 50.00	\$ 48.23		\$ 98.23
	October	50.00	62.79		112.79
	November	50.00	92.08		142.08
	December	50.00	73.71		123.71
1964	January	50.00	67.36	44.76	162.12
	February	50.00	66.22		116.22
	March	50.00	61.39		111.39
	April	50.00	71.70		121.70
	May	50.00	81.07		131.07
	June	50.00	55.64		105.64
	July	50.00	55.95		105.95
	August	50.00	54.38		104.38
	September	50.00	56.74		106.74
	October	<u>50.00</u>	<u>68.62</u>		<u>118.62</u>
		\$ 700.00	\$ 960.64		\$ 1,660.64
		Average	68.62		118.62

Other Charges

<u>Voucher No.</u>	<u>Description</u>	<u>Amount</u>
1-59	1963 Ad Valorem Taxes (1/3)	\$ 44.76

316 EAST CHUSKA

PHONE 334-6431

JOHNSTON JEFFRIES

ATTORNEY AT LAW  
AZTEC, NEW MEXICO

March 31, 1965

Mr. H. M. Brimhall  
3049 West Oranewood  
Phoenix, Arizona

Dear Mr. Brimhall:

This will acknowledge and thank you for the check in amount of \$40, together with the notation on my letter to you.

I dislike to be giving you conflicting information, but I also like to keep you informed of developments.

You will recollect that in my letter of March 23d I indicated that the oil company would probably ask for a hearing de novo before the entire commission. It would in effect be going over the entire application for forced pooling again. Mr. Durrett, the attorney for the commission at the time, informed me of this fact. I am sure he was sincere. However, last Monday while I was eating dinner at the Country Club, a man by the name of Hampton, who was at the Santa Fe hearing, approached me informally and extended congratulations on winning the case at Santa Fe and obtaining the forced pooling order. I informed him that I understood that they were in effect going to appeal the granting of our relief and have another hearing. He said that his understanding was that the company was going to abandon this procedure and were going to abide by the terms of the order, so I can merely state these facts to you and we will hope that they won't go into another hearing.

I will continue to keep you advised and I wish to thank you for the fine cooperation you have given me in this matter, as I am sure you can understand it is something of a handicap for us to conduct our negotiations by correspondence.

We have had great help in this matter from Mr. Emery Arnold who has acted very fairly from the standpoint of all parties concerned.

Yours very truly,

JJ/b

cc - Mr. Don Jensen  
Mr. Jim Durrett, Jr.  
Mr. Emery Arnold



OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO

LEGAL DIVISION

PHONE 827-2741

January 15, 1965

C  
O  
P  
Y  
  
Mr. Johnston Jeffries  
Attorney at Law  
Walters Building  
Artec, New Mexico

Re: Case No. 3188

Dear Mr. Jeffries:

We have your letter of January 13, 1965, and the certified copy of the Warranty Deed. A copy of the Warranty Deed will be placed in the case file.

Although I have not had an opportunity to give serious consideration to the legal questions raised at the hearing, I will attempt to reach a decision concerning these matters in the very near future and advise the Examiner concerning these questions.

I do not feel that it is necessary to request briefs from the attorneys at this time as this would unnecessarily delay issuance of the Examiner's order.

If a request for a de novo hearing before the full Commission is filed following issuance of the Examiner's order, it would be helpful to have briefs prior to the de novo hearing or following the hearing.

The Examiner's order should issue in the near future.

Very truly yours,

J. M. DURRETT, Jr.  
Attorney

JMD/esr

WALTERS BUILDING

PHONE FE 4-6431

JOHNSTON JEFFRIES

ATTORNEY-AT-LAW  
AZTEC, NEW MEXICO

JANUARY 13, 1955

OIL CONSERVATION COMMISSION  
STATE OF NEW MEXICO  
Box 2088  
SANTA FE, NEW MEXICO

RE: CASE 3188

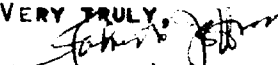
ATT: MR. DURRETT

DEAR MR. DURRETT:

PURSUANT TO REQUEST OF COMMISSION IN THE BRIMHALL APPLICATION  
HEARING I ENCLOSE CERTIFIED COPY OF THE DEED SHOWING OWNERSHIP  
IN THE APPLICANTS.

PLEASE ADVISE PERTAINING TO THE MATTERS I DICTATED TO YOUR  
SECRETARY ON THE DAY OF THE HEARING.

THANK YOU.

VERY TRULY,  
  
JOHNSTON JEFFRIES

THIS INDENTURE, Made this 25th day of May  
in the year of our Lord one thousand nine hundred and fifty-one  
G. W. R. Hoy and Katie E. Hoy, husband and wife,

parties of the first part, and  
Maleta Y. Brimhall and Barbara Burnham

parties of the second part;  
WITNESSETH, That the said parties of the first part, for and in consideration of the sum of  
Ten and No/100 - - - - - Dollars,

lawful money of the United States of America, to them in hand paid by the said parties  
of the second part, the receipt whereof is hereby confessed and acknowledged, have granted, bargained,  
sold, remised, conveyed, released, and confirmed, and by these presents do grant, bargain, sell,  
remise, convey, release, and confirm unto the said parties of the second part, their heirs and  
assigns forever all the following described lots or parcel of land and real estate, situate, lying  
and being in the County of San Juan, State of New Mexico, to-wit: Beginning at a  
point where the S line of Highway No. 550 intersects the E line of the NE 1/4 of Sec. 7, Twp.  
30 N., R. 11 W., N.M.P.M.; thence S 392 feet, more or less, to the N side of public road  
(old Farmington-Astec highway); thence Westerly along the N side of said road 787 feet; thence  
N 520 feet, more or less, to S line of said Highway No. 550; thence Easterly along S line of  
said Highway 652 feet, more or less, to the point of beginning, together with all and singular  
the water and water rights thereto belonging or in anywise appertaining. EXCEPTING THEREFROM  
the following described tract, to-wit: Beginning at a point where the N line of the public  
road (old Farmington-Astec Highway) crosses the E line of said NE 1/4; thence running N on said  
line 150 feet; thence in a Southwesterly direction parallel with said public road 450 feet;  
thence S 150 feet to the N side of said public road; thence Northeasterly along the N side of  
said public road to the point of beginning. ALSO EXCEPTING THEREFROM the following described  
tract, to-wit: Beginning at a point on the S line of Highway No. 550 which is 492 feet South-  
westerly of a point where the S line of said Highway No. 550 intersects the E line of the NE 1/4  
of Sec. 7, Twp 30 N., R 11 W., N.M.P.M., thence continuing Southwesterly along the S line of  
said Highway No. 550 160 feet, thence S 520 feet, more or less to a point on the N line of the  
public road (old Farmington-Astec highway), thence Northwesterly along the N line of said  
public road (old Farmington-Astec highway) to a point South of the point of beginning, thence  
E to the point of beginning. ALSO hereby conveying unto the said party of the second part, her  
heirs and assigns, a perpetual right to the use of water from a certain spring located on the  
NE 1/4, Sec. 7, Twp 30 N., R 11 W., N.M.P.M. to be used in common with the said parties of  
the first part, their heirs and assigns. With right of ingress and egress over the lands  
of first party for the maintenance of pump and pipe lines in connection with the use of  
said water.

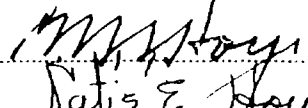
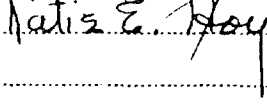
Together with all and singular, the lands, tenements, hereditaments and appurtenances thereunto  
belonging, or in any wise appertaining, and the reversion and reversions, remainder and remainders,  
rents, issues, and profits thereof; and all the estate, right, title, interest, claim, and demand whatsoever, of  
the said parties of the first part, either in law or equity of, in and to the above bargained premises, with  
the hereditaments and appurtenances.

TO HAVE AND TO HOLD, the said premises, above bargained and described, with the appurtenances,  
unto the said parties of the second part, their heirs and assigns forever. And the said parties of  
the first part, for themselves and their heirs, executors and administrators, doth  
covenant and agree, to and with the said parties of the second part, their heirs and assigns, that at  
the time of the ensealing and delivery of these presents they are well seized of the premises  
above conveyed as of a good, sure, perfect, and indefeasible estate of inheritance, in law, in fee simple, and  
have good right, full power, and lawful authority to grant, bargain, sell, and convey the same in manner  
and form aforesaid; and that the same are free and clear from all former and other grants, bargains,  
sales, liens, taxes, assessments, and encumbrances of what kind and nature soever;

and the above bargained premises in the quiet and peaceful possession of the parties of the second  
part, their heirs and assigns, against all and every person or persons lawfully claiming, or to claim,  
the whole or any part thereof, the said parties of the first part shall and will Warrant and Forever Defend.

IN WITNESS WHEREOF, the said parties of the first part have hereunto set their hands  
and seal the day and year first above written.

Signed, Sealed and Delivered in Presence of

 (Seal)  
 (Seal)  
\_\_\_\_\_  
(Seal)

COUNTY OF SAN JUAN  
I hereby certify that the foregoing

is a true copy of the original on file in my  
said office this day of

ACKNOWLEDGMENT  
(Individual)

STATE OF NEW MEXICO, }  
COUNTY OF SAN JUAN. } ss.

On this 1st day of June, 1951, before me personally appeared  
G. W. R. Hoy and Katie R. Hoy, husband and wife,

to me personally known to be the person described in and who executed the foregoing instrument and  
acknowledged that they executed the same as their free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year  
in this certificate first above written.

My Commission Expires Feb. 24, 1953  
Commission expires

Willis Martin  
Notary Public

ACKNOWLEDGMENT  
(Corporate)

STATE OF NEW MEXICO, }  
COUNTY OF SAN JUAN. } ss.

On this day of 19, before me appeared

to me personally known, who, being by me duly sworn, did say that the  
of

a corporation organized under the laws of the State of  
and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said  
instrument was signed and sealed in behalf of said corporation by authority of its board of directors, and  
said acknowledged said instrument to be  
the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year  
in this certificate first above written.

My commission expires Notary Public

2

DEED-WARRANTY

FROM

TO

STATE OF NEW MEXICO,  
County of San Juan—SS.

I hereby certify that this instrument was  
filed for record on the 9  
day of June A. D. 1951, at  
8:31 o'clock A.M., and  
duly recorded in Book 159, Page 176,  
of the Records of said county.

County Clerk  
Deputy Clerk

ARMSTRONG NATIONAL BANK  
ARMSTRONG, NEW MEXICO

Times Header From: Permittance, R. H.

OIL CONSERVATION COMMISSION  
P. O. BOX 871  
SANTA FE, NEW MEXICO

December 28, 1964

C  
O  
P  
Y

Mr. Johnston Jeffries  
Attorney at Law  
Walters Building  
Astec, New Mexico

Re: CASE 3188

Dear Mr. Jeffries:

In reply to your letter of December 22, 1964, I am enclosing a copy of the docket for the examiner hearing to be held on Wednesday, January 6, 1965. The Brimhall and Burnham compulsory pooling application has been docketed as Case Number 3188 which is the second case on the docket and should be heard soon after 9 a.m.

Very truly yours,

J. M. DURRETT, Jr.  
Attorney

JMD/ir

WALTERS BUILDING

PHONE FE 4-6431

JOHNSTON JEFFRIES  
ATTORNEY-AT-LAW  
AZTEC, NEW MEXICO

December 22, 1964

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

Attn: Mr. J. M. Durrett, Jr.


Re: Application of Maleta Y. Brimhall and Barbara Burnham  
for Compulsory Pooling, San Juan County, New Mexico

Dear Mr. Durrett:

With further reference to the above matter in addition to my letter of December 7, I would appreciate knowing the definite day and time of day for this hearing so that I can make plans accordingly. Weather conditions sometimes make traveling between Santa Fe and here somewhat difficult. Therefore, if you could give me a definite day I would surely appreciate it.

If the examiner would hold the hearing on either of two days this of course would be satisfactory.

Yours very truly,

  
Johnston Jeffries  
JJ/je

WALTERS BUILDING

PHONE FE 4-6431

*See 2-185*

JOHNSTON JEFFRIES  
ATTORNEY-AT-LAW  
AZTEC, NEW MEXICO

December 7, 1964

Oil and Gas Conservation Commission  
Santa Fe, New Mexico

Attn: Mr. James M. Durrett, Jr.

Re: Application of Maleta Y. Brimhall and  
Barbara Burnham for Compulsory Pooling  
San Juan County, New Mexico

Dear Mr. Durrett:

I received your letter of December 4 concerning the above and plan to obtain a certified photostatic copy of the deed under which the applicants claim title. I will assume this will be satisfactory unless you inform me contrary.

Thank you for the help you have given me in this matter together with advice and suggestions.

Yours very truly,

  
Johnston Jeffries

JJ/je

DOCKET MAILED

Date 12-24-64

*je*

WALTERS BUILDING

PHONE FE 4-6431

JOHNSTON JEFFRIES  
ATTORNEY-AT-LAW  
AZTEC, NEW MEXICO

December 2, 1964

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

Attn: Mr. J. M. Durrett, Jr.

Re: Brimhall case no. 2288 - Order R-1991

Dear Mr. Durrett:

I enclose hercin what I trust will be acceptable as a proper force-pooling application on real estate which was the subject of your letter to me of October 22, 1964.

After preparing the application I rechecked the rules in your book of procedure and noted that I did not list all interested parties. I would assume that Beta (Successor in interest to Southwest) is the only real interested party and that you will not require that the same be so stated in the application.

If the application (in Triplicate) is in any way not acceptable, please inform me and I will re-draw the same in accordance with your instructions. While I am interested in disposing of the matter as soon as possible I am assuming that due to the time normally consumed in advertising and other wise giving notice the hearing date will probably not be set until arter the first of the year. If the same could be set before that time, I would however be able to attend and appear upon reasonable notice.

Mr. Emery Arnold informed me that my clients would not have to appear if I appeared as their attorney. I would appreciate you confirming this.

I shall send a copy of this letter to Beta and wish to explain that I desire to cause any and all interested parties as little trouble as possible in this procedure which I assume is, for all practical purposes, a non-controversial matter.

*Jan 6 Examined*

DEC 3 1964

*Case 3/88*



Page Two  
Mr. J. M. Durrett, Jr.  
Santa Fe, New Mexico  
December 2, 1964

I realize that in event the application is granted the force-pooling order will probably contain essentially the same provisions appearing in order No. R-2152, case 2453 relating to the E $\frac{1}{2}$  of the same section and my clients are agreeable to this. Therefore, in such event I would think that the entire matter would be settled to the satisfaction of everyone.

Yours very truly,

  
Johnston Jeffries

cc: Beta Development Corporation  
P. O. Box 189  
Fort Worth, Texas

JJ/je

Enclosures

DOCKET MAILED

Date 12-24-64

OIL CONSERVATION COMMISSION

P. O. BOX 2088  
SANTA FE, NEW MEXICO

LEGAL DIVISION  
PHONE 827-2741

December 4, 1964

C  
O  
P  
Y  
  
Mr. Johnston Jeffries  
Attorney at Law  
Walters Building  
Aztec, New Mexico

Re: Application of Maleta Y. Brimhall and  
Barbara Burnham for Compulsory Pooling,  
San Juan County, New Mexico

Dear Mr. Jeffries:

We have your letter of December 2, 1964, and the above application. We have tentatively docketed this case to be heard at the examiner hearing to be held on January 6, 1965.

Due to the nature of this case, I do not feel that it will be necessary for your clients to appear at the hearing; however, you will probably want to introduce into the record a deed or other evidence to establish the nature of your clients' interest in the acreage.

Very truly yours,

J. M. DURRETT, Jr.  
Attorney

JMD/esr

cc: Beta Development Company  
P. O. Box 189  
Fort Worth, Texas  
Attention: Mr. Tom Cowan

Mr. Emery C. Arnold  
Supervisor, District 3  
Oil Conservation Commission  
1000 Rio Brazos Road  
Aztec, New Mexico

WALTERS BUILDING

PHONE FE 4-6431

jk  
Case 2288

JOHNSTON JEFFRIES

ATTORNEY-AT-LAW  
AZTEC, NEW MEXICO

November 23, 1964

3/88

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

Attn: Mr. J. M. Durrett Jr.

Re: Brimhall Case No. 2288

Dear Mr. Durrett:

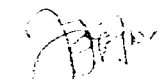
Thank you for your letter of October 22 concerning the above matter. I am late in answering your letter because my clients are in Arizona which makes communication delayed.

In the near future I plan to proceed as you suggested and attempt to obtain a force pooling order. I am assuming this hearing could be held before an examiner and I also assume that no date could be obtained before the first of the year.

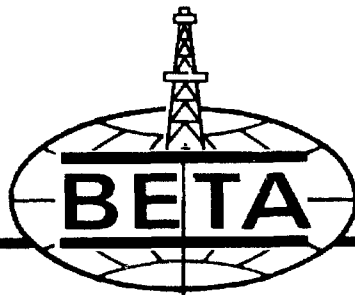
A hearing date other than Monday or Tuesday would be more agreeable to me but I realize that you may have certain dates set for these matters. Thank you for your consideration.

Incidentally in former correspondence, copies of which were directed to your office I may have confused the ownership of this tract with that of the tract involved in case No. 2453. In the latter case I believe Harold Brimhall and Maleta, his wife are the record owners and in the instant case the 3.29 acres (more or less) shows record ownership in Maleta Y. Brimhall and Bernard Burnham, which latter ownership you properly noted in your letter.

Yours very truly,

  
Johnston Jeffries

JJ/je



*Case 3188*  
**BETA DEVELOPMENT CO.**

*Incorporated*

P. O. BOX 189 • FORT WORTH, TEXAS

November 5, 1964

Reply to:

P. O. Box 1659,

Midland, Texas

Mr. Jim Durrett  
New Mexico Oil Conservation Commission  
Santa Fe, New Mexico

Re: Ruby Jones  
E/2 of Section 7, 30-11  
Neill Hall  
E/2 of Section 7, 30-11  
James Scott  
N/2 of Section 18, 30-11  
San Juan County, New Mexico

Dear Mr. Durrett:

In regard to our previous telephone conversation and since Mr. Jeffries failed to send you a copy of his letter dated October 27, 1964, I am enclosing a zerox copy of same for your information and file.

Yours very truly,

BETA DEVELOPMENT CO.

Tom Cowan  
Land Department

TC:tk

Enclosure

WALTERS BUILDING

PHONE FE 4-6431

JOHNSTON JEFFRIES  
ATTORNEY-AT-LAW  
AZTEC, NEW MEXICO

October 27, 1964

200-3188

Beta Development Company  
P. O. Box 189  
Fort Worth, Texas

Attn: Mr. Tom Cowan

Re: Ruby Jones No. 1 E/2 Section 7, 30-11  
Nell Hall No. 1 E/2 Section 7, 30-11  
James Scott No. 1 N/2 Section 18, 30-11  
All in San Juan County, New Mexico

Dear Mr. Cowan:

This will acknowledge and thank you for yours of October 19 in prompt answer to my letter of October 16th, 1964 concerning the above captioned matters.

With respect to Ruby Jones No. 1: Mr. Don Jenson, representative of Mr. Brimhall and I had a somewhat extended conference with Mr. Emery Arnold of the local New Mexico Oil and Gas Conservation Commission. We learned for the first time of the Forced Pooling Order No. R-412-A. In this matter I should explain, and as you can undoubtedly understand, that it is a little difficult for me to correlate all this data and information because Mr. Brimhall lives in Phoenix and therefore we cannot communicate as well as we could if we could confer together in person. The provisions of the order are agreeable to Mr. Brimhall but some technical questions arise as to the signing of the proposed division order. Assuming that the percentage in the division order is correct, we would prefer to have something appear in the instrument clarifying that the interest is intended to refer to the conventional land owner 1/8 royalty and establishing that the Brimhalls would be entitled to the rights granted to them in the forced pooling order as to participation in the working interest after the well is paid out.

This brings up another question and that is the correctness of the 1.2500 percentage of interest figure. I do not pretend to be able to compute these figures but I did ask the help of Mr. Arnold on this point and he came up with a figure of .7812 which would of course be more to your advantage.

Page Two  
Mr. Tom Cowan  
Beta Development Company  
Fort Worth, Texas

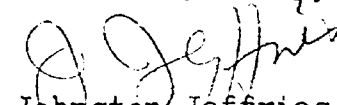
October 27, 1964

I am merely trying to get the correct figure not necessarily one which favors one party over the other. Would you please check this again and due to the many misunderstandings which have arisen in this matter there may be some explanation. When the division of interest figure has been established and when we can agree upon appropriate language in the order taking into account the provisions of the forced pooling arrangement with respect to the land owners right to participate in the working interest at the proper time I will recommend to the Brimhalls that they execute the instrument.

Now as to the Nellie Hall well, I checked with Mr. Arnold and he discovered the Commission order which you refer to in your letter and which clarifies this situation. Again I had no knowledge of this order nor did Mr. Brimhall until Mr. Arnold checked his files thoroughly and finally located it. I will discuss with Mr. Brimhall as to what action we should take. The forced pooling procedure would seem to me at this time to be adviseable.

I hesitate to get into a discussion and controversy over the surface damages to the land involved in the drilling of the James Scott No. 1 well. I have not had the advantage of obtaining appraisals from experts which might be necessary in event suit is filed. My clients think the land and the damage thereto is far in excess of your estimate. Therefore, I will wait until I have more information on this point before going into this matter further at this time.

Yours very truly,

  
Johnston Jeffries

cc: Mr. Emery Arnold  
New Mexico Oil and Gas Conservation Commission  
Aztec, New Mexico

Mr. Don Jenson  
Crystal Trading Post  
Navajo, New Mexico

JJ/je

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

October 22, 1964

*3/85*

C  
O  
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Y

Mr. Johnston Jeffries  
Attorney at Law  
Walters Building  
Aztec, New Mexico

Re: Mrs. Harold Brimhall

Dear Mr. Jeffries:

I have your letter of October 16, 1964. I also have received a letter from Mr. Tom Cowan of Beta Development in Midland concerning your letter to them dated October 16, 1964. Mr. Cowan called my attention to Order No. R-1991 which established a non-standard proration unit in Section 7 of Township 30 North, Range 11 West and excepted the 3.39-acre tract owned by Barbara Brunham and Maleta Y. Brimhall. I am enclosing herewith a copy of this order. This order authorizes the owners of any acreage in Section 7 to bring a force-pooling application before the Commission to have their acreage included in a gas proration unit upon reasonable terms and conditions.

If your client desires to force-pool her acreage into one of the units created by Order No. R-1991, an application for hearing should be filed, in triplicate, with the Commission. The application should describe the acreage your client desires to commit to the unit, set out the nature of her interest in the acreage, and request force-pooling with the non-standard gas proration unit in the Basin-Dakota Gas Pool, San Juan County, New Mexico, created by Order No. R-1991. The Commission will then docket the case for hearing and publish notice of the hearing.

OIL CONSERVATION COMMISSION  
P. O. BOX 871  
SANTA FE, NEW MEXICO

-2-

October 22, 1964

Mr. Johnston Jeffries  
Attorney at Law  
Aztec, New Mexico

C  
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Y  
Our force-pooling statute is Section 65-3-14, N.M.S.A., 1953 Comp. I am sending you, under separate cover, a copy of the Commission's Rules and Regulations. The Rules of Procedure begin at Page 63.

Please advise me if I can be of further assistance to you.

Very truly yours,

J. M. DURRETT, Jr.  
Attorney

JMD/esr  
Enclosure

cc: Mr. Emery C. Arnold  
Supervisor, District 3  
Oil Conservation Commission  
1000 Rio Brazos Road  
Aztec, New Mexico



JOHNSTON JEFFRIES  
ATTORNEY-AT-LAW  
AZTEC, NEW MEXICO

October 16, 1964

*Case 3155*

Mr. Jim Durett  
Attorney for New Mexico Oil and Gas Conservation Commission  
Santa Fe, New Mexico

Dear Mr. Durett:

I am enclosing copies of correspondence which I believe is self explanatory as to the legal problem I have.

When I ascertain the attitude of the Deta Company on the matter of the validity of the lease which I realize is all important I would then appreciate any suggestions you could give as to proceeding under the "Forced Pooling Procedures" of the Commission.

Permit me to say that this letter is written with the approval of Mr. Emery Arnold of the local Oil and Gas Conservation Commission

Yours very truly,

*Johnston Jeffries*

Johnston Jeffries

Enclosure

JJ/je

## JOHNSTON JEFFRIES

ATTORNEY AT LAW

AZTEC, NEW MEXICO  
October 16, 1964

Beta Development  
P. O. Box 1659  
Midland, Texas

Re: Rubie Jones #1  
T 30N R 11W Sec. 7

Nellie Hall  
T 30 R 11 Sec. 7

All in San Juan County, New Mexico

Dear Sirs:

I have been retained by Mr. and Mrs. Harold Brimhall in the matter of establishing that they are entitled to a reasonable value of the oil and gas extracted from the above wells as to their acreage in the units in which the wells are located. I assume you are familiar with this matter and I also assume that you or your representatives are familiar with certain surface damage claims owed to the Brimhalls on the well designated as Scott #1.

With respect to the Nellie Hall well you apparently drained some 3½ acres in the unit in the same manner as you drained the 20 acres in the unit on which the Ruby Jones well is located.

The purpose of this letter is to obtain your attitude with respect to a common understanding that you drilled and committed acreage on two Dakota units, which acreage you did not have under lease.

If this is the case, under New Mexico's "Forced Pooling Procedure" it would seem clear that your company would owe the Brimhalls for the value of the oil and gas extracted on a proportional basis less of course, cost of drilling operation, also on a proportional basis. I will await hearing from you before taking further action on behalf of my clients. I trust we can work this out without the necessity of Court action.

Yours very truly,

Johnston Jeffries

JJ/jc

Page Two

October 16, 1964

cc: Mr. Harold Brinhall

Mr. Emery Arnold  
New Mexico Oil and Gas Conservation Commission  
Artec, New Mexico  
Mr. Jim Durett  
Attorney for New Mexico Oil and Gas Conservation Commission  
Santa Fe, New Mexico

RECEIVED  
OCT 25 1964

3188

October 19, 1964

Johnston Jeffries  
Attorney-at-Law  
316 East Chuska  
Aztec, New Mexico

Re: Ruby Jones No. 1  
E/2 Section 7, 30-11  
Nell Hall No. 1  
E/2 Section 7, 30-11  
James Scott No. 1  
N/2 Section 18, 30-11  
All in San Juan County, New Mexico

Dear Mr. Jeffries:

Pursuant to your letter of October 16, 1964, we wish to advise the following:

Ruby Jones No. 1 Well

Our files indicate that 320 acres were pledged to the Dakota gas well by Forced Pooling Order No. R-412-A, which included your clients 20 acres. A Division Order has been issued to your client for their one-eighth royalty, which we believe they are entitled to. Our files indicate that by Certified Mail with Return Receipt signed by Mr. H. M. Brimhall on May 10, 1962, the customary notification of Forced Pooling was sent to him, which included an Itemized Current Schedule of Well Cost. At this writing Mr. and Mrs. Brimhall have not signed or returned the division order for their one-eighth royalty.

Nell Hall No. 1 Well

Our files indicate that by order of the Commission under R-1991, dated June 8, 1961, application was approved for a non-standard gas proration unit, being all of the W/2 of Section 7, 30-11, except the 3.39 acre tract therein, which was owned by Barbara Burnham and Maleta Y. Brimhall, comprising in sum total approximately 327.01 acres. Your

Johnston Jeffries  
Astec, New Mexico

-2-

October 19, 1964

client did not chose to lease on the same terms that all other mineral owners leased under and since more than 320 acres are unitised, which is considered the drainage area for a Dakota gas well, our predessor in title completed their operations.

Your client can if they choose under this non-standard gas proration unit order bring a forced pooling order before the Commission to have their acreage included in this gas proration unit upon reasonable terms and conditions.

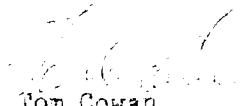
James Scott No. 1 Well

Our files reflect that on August 7, 1961, Southwest Production Company, through its Agent, Jack Jones, Farmington, wrote to an attorney by the name of Wetzel in Phoenix, Arizona, advising him that pictures had been furnished of the well site both before and after it had been cleaned up by Southwest. They also reminded the attorney they had offered to pay Mr. Brimhall the rental he had lost as a result, for the length of time it took to clean up the location. In April, 1964, our Representative in Farmington, advised us the James Scott No. 1, was located on an uncultivated, unimproved tract of land being a small parcel adjoining the river. There was no evidence that damage to surface crops was done by the drilling of the well. He was advised that Southwest Production Company and Mr. Brimhall could not reach an agreement on surface damage at the time the well was drilled, and that Mr. Brimhall wanted unreasonable damages.

Our files further reflect the original lease which is recorded in Book 188, page 85, of the San Juan County records, contains the customary clause "Lessee shall pay for damage caused by operations to growing crops on said land."

Yours very truly,

BETA DEVELOPMENT CO.

  
Tom Cowan  
Land Department

TC:tk

Johnston Jeffries  
Aztec, New Mexico

-3-

October 19, 1964

cc: Mr. Harold Brimhall  
3049 Orangewood  
Phoenix, Arizona

Mr. Emory Arnold  
New Mexico Oil & Gas Conservation Commission  
Aztec, New Mexico

Mr. Jim Durett  
Attorney for the  
New Mexico Oil & Gas Conservation Commission  
Santa Fe, New Mexico

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:

CASE No. 3188  
Order No. R-2877

APPLICATION OF MALETA Y. BRIMHALL  
AND BARBARA BURNHAM FOR COMPULSORY  
POOLING, SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on January 6, 1965, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 15th day of March, 1965, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicants, Maleta Y. Brimhall and Barbara Burnham, seek an order pooling all mineral interests in the Basin-Dakota Gas Pool underlying the W/2 of Section 7, Township 30 North, Range 11 West, NMPM, San Juan County, New Mexico.

(3) That Southwest Production Company has drilled a well in the W/2 of said Section 7 to the Basin-Dakota Gas Pool; that said well is now operated by Beta Development Company, successor in interest to Southwest Production Company.

(4) That there are interest owners in the proposed proration unit who have not agreed to pool their interests.

(5) That to avoid the drilling of unnecessary wells, to protect correlative rights, and to afford to the owner of each interest in said unit the opportunity to recover or receive without unnecessary expense his just and fair share of the gas in said pool, the subject application should be approved by pooling all mineral interests, whatever they may be, within said unit.

(6) That Beta Development Company should be designated the operator of the subject well and unit.

(7) That any non-consenting working interest owner should be afforded the opportunity to pay his share of reasonable well costs to the operator in lieu of paying his share of reasonable well costs out of production.

(8) That any non-consenting working interest owner that does not pay his share of reasonable well costs should have withheld from production his share of the reasonable well costs plus an additional 25% thereof as a reasonable charge for the risk involved in the drilling of the well.

(9) That any non-consenting interest owner should be afforded the opportunity to object to the actual well costs but that said actual well costs should be adopted as the reasonable well costs in the absence of such objection.

(10) That following determination of reasonable well costs, any non-consenting working interest owner that has paid his share of actual well costs should pay to the operator any amount that reasonable well costs exceed actual well costs and should receive from the operator any amount that paid actual well costs exceed reasonable well costs.

(11) That \$75.00 per month should be fixed as the reasonable cost of operating the subject well and each non-consenting working interest owner should be assessed with his share of such cost, to be paid out of production.

(12) That all proceeds from production from the subject well which are not disbursed for any reason should be placed in escrow to be paid to the true owner thereof upon demand and proof of ownership.



-3-

CASE No. 3188

Order No. R-2877

IT IS THEREFORE ORDERED:

(1) That all mineral interests, whatever they may be, in the Basin-Dakota Gas Pool underlying the W/2 of Section 7, Township 30 North, Range 11 West, NMPM, San Juan County, New Mexico, are hereby pooled to form a 330.40-acre gas proration unit to be dedicated to the Beta Development Company Nell Hall Well No. 1 located in Unit M of said Section 7.

(2) That Beta Development Company is hereby designated the operator of the subject well and unit.

(3) That the operator shall furnish the Commission and each non-consenting working interest owner in the subject unit an itemized schedule of actual well costs within 30 days following the date of this order.

(4) That within 30 days from the date the schedule of actual well costs is furnished to him, any non-consenting working interest owner shall have the right to pay his share of actual well costs to the operator in lieu of paying his share of reasonable well costs out of production, and that any such owner who pays his share of actual well costs as provided above shall remain liable for operating costs but shall not be liable for risk charges.

(5) That if no objection to the actual well costs is received by the Commission and the Commission has not objected within 60 days following the date of this order, the actual well costs shall be the reasonable well costs; provided however, that if there is an objection to actual well costs within said 60-day period, the Commission will determine reasonable well costs after public notice and hearing.

(6) That within 30 days following determination of reasonable well costs, any non-consenting working interest owner that has paid his share of actual well costs in advance as provided above shall pay to the operator his pro rata share of the amount that reasonable well costs exceed actual well costs and shall receive from the operator his pro rata share of the amount that actual well costs exceed reasonable well costs.

-4-

CASE No. 3188

Order No. R-2877

(7) That the operator is hereby authorized to withhold the following costs and charges from production:

- (A) The pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not paid his share of actual well costs within 30 days from the date the schedule of actual well costs is furnished to him.
- (B) As a charge for the risk involved in the drilling of the well, 25% of the pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not paid his share of actual well costs within 30 days from the date the schedule of actual well costs is furnished to him.

(8) That the operator shall distribute said costs and charges withheld from production to the parties who advanced the well costs.

(9) That \$75.00 per month is hereby fixed as the reasonable cost of operating the subject well, and the operator is hereby authorized to withhold from production the proportionate share of such cost attributable to each non-consenting working interest.

(10) That any unsevered mineral interest shall be considered a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest for the purpose of allocating costs and charges under the terms of this order.

(11) That any well costs or charges which are to be paid out of production shall be withheld only from the working interests' share of production, and no costs or charges shall be withheld from production attributable to royalty interests.

(12) That all proceeds from production from the subject well which are not disbursed for any reason shall be placed in escrow in San Juan County, New Mexico, to be paid to the true owner thereof upon demand and proof of ownership; that the operator

-5-

CASE No. 3188

Order No. R-2877

shall notify the Commission of the name and address of said escrow agent within 90 days from the date of this order.

(13) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

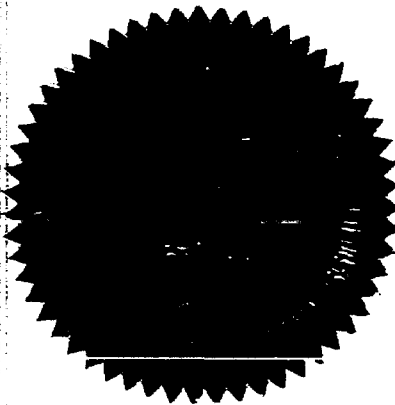
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

*Jack M. Campbell*  
JACK M. CAMPBELL, Chairman

*Guyton B. Hays*  
GUYTON B. HAYS, Member

*A. L. Porter, Jr.*  
A. L. PORTER, Jr., Member & Secretary



esr/

THIS INDENTURE, Made this 25th day of May  
 in the year of our Lord one thousand nine hundred and fifty-one, between  
 G. W. R. Hoy and Katie E. Hoy, husband and wife,  
 parties of the first part, and  
 Maleta Y. Brimhall and Barbara Burnham

parties of the second part;

WITNESSETH, That the said parties of the first part, for and in consideration of the sum of Ten and No/100 - - - - - Dollars, lawful money of the United States of America, to them in hand paid by the said parties of the second part, the receipt whereof is hereby confessed and acknowledged, have granted, bargained, sold, remised, conveyed, released, and confirmed, and by these presents do grant, bargain, sell, remise, convey, release, and confirm unto the said parties of the second part, their heirs and assigns forever all the following described lots or parcels of land and real estate, situate, lying and being in the County of San Juan State of New Mexico, to-wit: Beginning at a point where the S line of Highway No. 550 intersects the E line of the NE $\frac{1}{4}$ SW $\frac{1}{4}$  of Sec. 7, Twp. 30 N., R. 11 W., N. M. P. M.; thence S 392 feet, more or less, to the N side of public road (old Farmington-Aztec highway); thence Westerly along the N side of said road 787 feet; thence N 520 feet, more or less, to S line of said Highway No. 550; thence Easterly along S line of said Highway 652 feet, more or less, to the point of beginning, together with all and singular the water and water rights thereto belonging or in anywise appertaining. EXCEPTING THEREFROM the following described tract, to-wit: Beginning at a point where the N line of the public road (old Farmington-Aztec Highway) crosses the E line of said NE $\frac{1}{4}$ SW $\frac{1}{4}$ ; thence running N on said line 150 feet; thence in a Southwesterly direction parallel with said public road 450 feet; thence S 150 feet to the N side of said public road; thence Northeasterly along the N side of said public road to the point of beginning. ALSO EXCEPTING THEREFROM the following described tract, to-wit: Beginning at a point on the S line of Highway No. 550 which is 492 feet Southwesterly of a point where the S line of said Highway No. 550 intersects the E line of the NE $\frac{1}{4}$ SW $\frac{1}{4}$  of Sec. 7, Twp 30 N., R 11 W., N.M.P.M., thence continuing Southwesterly along the S line of said Highway No. 550 160 feet, thence S 520 feet, more or less to a point on the N line of the public road (old Farmington-Aztec highway), thence Northwesterly along the N line of said public road (old Farmington-Aztec highway) to a point South of the point of beginning, thence N to the point of beginning, ALSO hereby conveying unto the said party of the second part, her heirs and assigns, a perpetual right to the use of water from a certain spring located on the NE $\frac{1}{4}$ SW $\frac{1}{4}$ , Sec. 7, Twp 30 N., R 11 W., N.M.P.M. to be used in common with the said parties of the first part, their heirs and assigns. With right of ingress and egress over the lands of first party for the maintenance of pump and pipe lines in connection with the use of said water.

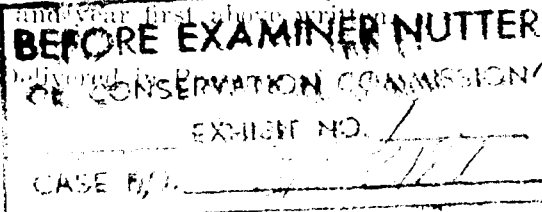
Together with all and singular, the lands, tenements, hereditaments and appurtenances thereunto belonging, or in any wise appertaining, and the reversion and reversions, remainder and remainders, rents, issues, and profits thereof; and all the estate, right, title, interest, claim, and demand whatsoever, of the said parties of the first part, either in law or equity of, in and to the above bargained premises, with the hereditaments and appurtenances.

TO HAVE AND TO HOLD, the said premises, above bargained and described, with the appurtenances, unto the said parties of the second part, their heirs and assigns forever. And the said parties of the first part, for themselves and their heirs, executors and administrators, doth covenant and agree, to and with the said parties of the second part, their heirs and assigns, that at the time of the enrolling and delivery of these presents, they are well seized of the premises above conveyed as of a good, sure, perfect, and indefeasible estate of inheritance, in law, in fee simple, and have good right, full power, and lawful authority to grant, bargain, sell, and convey the same in manner and form aforesaid; and that the same are free and clear from all former and other grants, bargains, sales, liens, taxes, assessments, and encumbrances of what kind and nature soever.

and the above bargained premises in the quiet and peaceful possession of the parties of the second part, their heirs and assigns, against all and every person or persons lawfully claiming, or to claim, the whole or any part thereof, the said parties of the first part shall and will Warrant and Forever Defend.

IN WITNESS WHEREOF, the said parties of the first part have hereunto set their hands and seal the day and year first above written.

Signed, Sealed and



G. W. R. Hoy  
 Katie E. Hoy

(Seal)

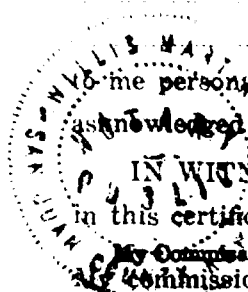
(Seal)

(Seal)

ACKNOWLEDGMENT  
(Individual)

STATE OF NEW MEXICO, }  
COUNTY OF SAN JUAN. }

On this 1st day of June, 1951, before me personally appeared  
G. W. R. Hoy and Katie E. Hoy, husband and wife,



to me personally known to be the person described in and who executed the foregoing instrument and  
acknowledged that they executed the same as their free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year  
in this certificate first above written.

My Commission Expires Feb. 24, 1952  
Commission expires

Willis Martin  
Notary Public

ACKNOWLEDGMENT  
(Corporate)

STATE OF NEW MEXICO, }  
COUNTY OF SAN JUAN. }

On this..... day of....., 19....., before me appeared.....

to me personally known, who, being by me duly sworn, did say that..... the  
..... of .....

a corporation organized under the laws of the State of.....  
and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said  
instrument was signed and sealed in behalf of said corporation by authority of its board of directors, and  
said ..... acknowledged said instrument to be  
the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year  
in this certificate first above written.

My commission expires

Notary Public

DEED-WARRANTY

FROM

TO

STATE OF NEW MEXICO,  
County of San Juan--SS.

I hereby certify that this instrument was

filed for record on the

day of June, A.D. 1951, at

6:31 o'clock P.M., and

duly recorded in Book 129 Page 176,  
of the Records of said county.

County Clerk

Deputy Clerk

After Recording Return To:

Times Herald Press, Farmington, N. M.

RECEIVED

SEP 6 - 1961

U. S. GEOLOGICAL SURVEY  
ROSWELL, NEW MEXICO

APPROVAL - CERTIFICATION - DETERMINATION

STATE OF NEW MEXICO, County of San Juan, SS.  
I hereby certify this instrument was filed for record  
on 3-8-62 at 9:30 o'clock A M  
and duly recorded in book 510 page 42 of the  
Records of said county.  
Sarah Gooding  
Probate Clerk and ex-officio Recorder

SEP 22 1961  
GEOLOGICAL SURVEY

Pursuant to the authority vested in the Secretary of the Interior under the Act approved February 25, 1920, 41 Stat. 437, 30 U.S.C. Secs. 181 et seq., as amended by the Act of August 8, 1946, 60 Stat. 950, and delegated to the Director of the Geological Survey, pursuant to Department Order No. 2365 of October 8, 1947, 43 C.F.R. Sec. 4.618, 12 F.R. 6784, I do hereby:

- A. Approve the above communitization agreement covering the West One-half (1/2) of Section 7, except for 3.33 acres in the NE 1/4, Township 30 North, Range 11 West, N.M.P.M.
- \_\_\_\_\_, SAN JUAN County, New Mexico, as to oil, gas and associated liquid hydrocarbons producible from the Dakota formation.
- B. Determine that the federal lease or leases as to the lands committed to the above agreement cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located, and that consummation and approval of the agreement will be in the public interest.
- C. Certify and determine that the drilling, producing, rental, minimum royalty and royalty requirements of the federal lease or leases committed to said agreement are hereby established, altered, changed or revoked to conform with the terms and conditions of the agreement.

Dated OCT 4 - 1961

[Signature]  
Acting Director  
United States Geological Survey

14-08-0001 7776  
Contract No. \_\_\_\_\_

BEFORE EXAMINER NUTTER	
OIL CONSERVATION COMMISSION	
<u>Beta</u>	EXHIBIT NO. <u>2</u>
CASE NO. <u>3188</u>	

142-A

COMMUNITIZATION AGREEMENT

14-08-0001 7776

THIS AGREEMENT, made and entered into as of the ~~8th~~ day of ~~February~~, 19~~61~~, by and between the parties subscribing, ratifying or consenting hereto, such parties being hereinafter referred to as "parties hereto",

WITNESSETH, THAT:

WHEREAS, the Act of February 25, 1920, 41 Stat. 437, as amended by the Act of August 8, 1946, 60 Stat. 950, 30 U.S.C., Secs. 181 et seq., authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and,

WHEREAS, the parties hereto own working or royalty interests under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and,

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing oil, gas and associated liquid hydrocarbons in accordance with the terms and conditions of this agreement;

NOW, THEREFORE, for and in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Township 30 North, Range 11 East, N.M.P.M.  
San Juan County, New Mexico

Section 7; W<sup>1/2</sup>, except for 3.30 acres in the NE<sup>1/4</sup>.

RECEIVED

SEP 6 - 1961

Page #1

U. S. GEOLOGICAL SURVEY  
ROSWELL, NEW MEXICO

containing 327.01 acres, more or less, and this agreement shall extend to and include only the zones of the \_\_\_\_\_ formation of the said communitized area underlying said lands, and the oil, gas and associated liquid hydrocarbons (hereinafter referred to as "communitized substances") producible from such formation.

2. Attached hereto and by reference thereto made a part of this agreement for all purposes in Exhibit "A" designating the Operator of the communitized area and showing the acreage, percentage and ownership of all oil and gas interests in all lands within the communitized area.

3. All matters of operation shall be governed by SOUTHWEST PRODUCTION COMPANY, Operator, under and pursuant to the terms and provisions of this agreement and operating agreements entered into between said Operator and non-operating owners of the oil and gas leases. A successor Operator may be designated in accord with the provisions of such agreements and four (4) executed copies of a designation of any successor operator shall be filed with the Oil and Gas Supervisor and one copy furnished to each non-operator.

4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas runs and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, specified in the applicable oil and gas operating regulations.

5. In connection with the performance of work under this agreement, operator agrees not to discriminate against any employee or applicant for employment because of race, religion, color or national origin as provided in the nondiscrimination provision of Executive Order 10925 (26 F.R. 1977). The aforesaid provision shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising, layoff, or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The operator agrees to post hereafter in conspicuous places, available for employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of the nondiscrimination clause. The operator agrees to insert the foregoing provision in all subcontracts hereunder, except subcontracts for standard commercial supplies or raw materials.

6. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the parties hereto that all communitized substances produced



142-C

therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of said leasehold bears to the entire acreage interest committed to this agreement. The utilization of automatic custody transfer and metering equipment is authorized.

7. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payment of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued, and the parties hereto do hereby ratify and confirm said oil and gas leases and acknowledge said leases are continued in full force and effect and do hereby grant unto each of the working interest owners the respective leases shown on Exhibit "A" to this agreement, and acknowledge they will remain so during the term of this agreement or as long thereafter as specified in the terms of said leases.

8. There shall be no obligation on the lessees to offset any wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is or may hereafter be divided, nor shall any lessee be required to measure separately, communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.

9. The commencement, completion, continued operation or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.

10. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement

if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.

11. This agreement shall be effective as of the date hereof upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or his duly authorized representative, and shall remain in force and effect for a period of two (2) years and so long thereafter as communitized substances are produced from the communitized area in paying quantities; provided that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto.

12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the same extent and degree as provided in the oil and gas leases under which the United States of America is lessor and in the applicable oil and gas regulations of the Department of the Interior.

13. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee or other successor in interest, and shall be subject to approval by the Secretary of the Interior.

14. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, personal representatives, successors and assigns.

15. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written

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and have set opposite their respective names the date of execution.

Date: March 11, 1961 By Joseph P. Driscoll  
Co-partner Operator

Date: AUG 1 1961 By Sam Smith  
Attorney-in-fact Non-Operator

ACKNOWLEDGMENTS

STATE OF TEXAS )  
COUNTY OF DALLAS )

THE FOREGOING instrument was acknowledged before me this 11th day of March, 1961, by JOSEPH P. DRISCOLL, a partner of Southwest Production Company, a partnership, on behalf of said partnership.

Joseph P. Driscoll  
Notary Public  
in and for Dallas County, Texas

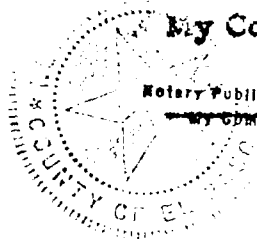
My Commission Expires:  
June 1, 1961

STATE OF TEXAS )  
COUNTY OF DALLAS )

THE FOREGOING instrument was acknowledged before me this 1st day of August, 1961, by Sam Smith attorney-in-fact for El Paso Natural Gas Company, a Delaware Corporation, on behalf of said corporation.

Sam Smith  
Notary Public  
in and for \_\_\_\_\_ County  
Texas.

My Commission Expires:  
NATALIE TAYLOR  
Notary Public in and for El Paso County, Texas  
My Commission Expires June 1, 1963



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EXHIBIT "A"

cc

COMMUNITIZATION AGREEMENT

Dated February 8, 1961, covering  
the Dakota formation under the  
West Half ( $W\frac{1}{2}$ ) of Section Seven (7),  
except for 3.39 acres in the  $NE\frac{1}{4}SW\frac{1}{4}$ ,  
Township Thirty (30) North, Range  
Eleven (11) West, N.M.P.M., San Juan  
County, New Mexico

OPERATOR OF COMMUNITIZED AREA: SOUTHWEST PRODUCTION COMPANY

DESCRIPTION OF LEASES COMMITTED:

Tract No. 1: (nm-41)

Lessor: William H. Chrisman and Carlotta C. Chrisman, his wife

Present Lessee: Southwest Production Company

Date of Lease: July 3, 1950

Recorded: Book 150, page 174, records of San Juan County, New Mexico

Pooling Provisions: "Lessors herein agree to join, and hereby authorize Lessee N. Spatter or his assigns to join, any unit or co-operative plan in order to obtain proper development, discovery and production of oil and/or gas, but no such unit shall exceed three hundred and twenty (320) acres in area, and shall be in accordance with the laws of the State of New Mexico, or other lawful authority."

Royalty Interest and Percentage: Roswell H. Chrisman 12.5%

Overriding Royalty Interest and Percentage: A. P. Carr & Company 17. %  
80% production payment of \$672,000.00 in favor of Man Drilling Company, Inc.  
Peter Faure 5.5%  
(but only as to the  $E\frac{1}{2}NW\frac{1}{4}NW\frac{1}{4}$ )  
C. H. Donnally and Marjorie F. Donnally 2.5%  
(but only as to the  $W\frac{1}{2}NW\frac{1}{4}NW\frac{1}{4}$ )

Working Interest and Percentage: Southwest Production Company 65%  
(as to the  $E\frac{1}{2}NW\frac{1}{4}NW\frac{1}{4}$ ), and 68%  
(as to the  $W\frac{1}{2}NW\frac{1}{4}NW\frac{1}{4}$ )

Description of Lands Committed:  $NW\frac{1}{4}NW\frac{1}{4}$  of said Section 7.

Number of Acres: 42.45

Page #2  
Exhibit "A"

Tract No. 2:

Lessor: United States of America

Owner of Operating Rights: El Paso Natural Gas Company

Lessee of Record: Delhi-Taylor Oil Corporation

Date of Lease: July 1, 1951

Recorded: Book 170, page 165, and  
Book 200, page 13, records of San  
Juan County, New Mexico

Royalty Interest and Percentage: 12.5% (sliding scale)

Overriding Royalty Interest and Percentage:

Ernest A. Hanson	2.25%
Olen F. Featherstone	2.25%
Hazel L. and Glenn R. Gentle	.5 %
C. C. Peters	1. %

(reducible to  $\frac{1}{2}\%$  upon receipt of \$25.00 per acre)

Delhi-Taylor Oil Corporation,  $7\frac{1}{2}\%$  per mcf on all gas produced, increasing to 8¢ per mcf March 1, 1962, on all gas produced, with continuing sliding scale; 33  $\frac{1}{3}\%$  on all liquid hydrocarbons extracted from gas.

Working Interest and Percentage: El Paso Natural Gas Company 81.5%  
less Delhi-Taylor overriding royalty interest expressed in cents per mcf and less 33  $\frac{1}{3}\%$  on liquid hydrocarbons extracted from gas.

Description of Lands Committed: NE $\frac{1}{4}$ NW $\frac{1}{4}$  of said Sec. 7.

Number of Acres: 40

Tract No. 3: (A-M-54)

Lessors: James F. Scott and Lela Scott, husband and wife

Present Lessee: Southwest Production Company

Date of Lease: May 18, 1953

Recorded: Book 225, page 104, records of San Juan County, New Mexico

Pooling Provisions: "As to the gas leasehold estate hereby granted (excluding casinghead gas produced from oil wells), lessee is expressly granted the right and privilege to consolidate said gas leasehold with any other adjacent or contiguous gas leasehold estates to form a consolidated gas leasehold estate which shall not exceed a total area of 320 acres;"

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Page #3  
Exhibit "A"

Tract No. 3, continued

Royalty Interest and Percentage: James F. Scott 12.5%

Overriding Royalty Interest and Percentage: A. P. Carr & Company 17. %  
80% production payment of \$672,000.00  
in favor of Man Drilling Company, Inc.

Working Interest and Percentage: Southwest Production Company 70.5%

Description of Lands Committed: SW $\frac{1}{4}$ NW $\frac{1}{4}$  of said Sec. 7.

Number of Acres: 42.55

Tract No. 4: (NM-42)

Lessors: E. M. McGrath and Gertrude McGrath, husband and wife; and  
C. R. Hancock and Frances Hancock, husband and wife

Present Lessee: Southwest Production Company

Date of Lease: August 20, 1953

Recorded: Book 223, Page 103, records of San Juan County, New Mexico

Pooling Provisions: "As to the gas leasehold estate hereby granted (excluding casinghead gas produced from oil wells), lessee is expressly granted the right and privilege to consolidate said gas leasehold with any other adjacent or contiguous gas leasehold estates to form a consolidated gas leasehold estate which shall not exceed a total area of 640 acres;"

Royalty Interest and Percentage: C. R. Hancock and Frances Hancock, his wife 12.5%

Overriding Royalty Interest and Percentage: A. P. Carr & Company 17. %  
80% production payment of \$672,000.00  
in favor of Man Drilling Company, Inc.

Working Interest and Percentage: Southwest Production Company 70.5%

Description of Lands Committed: All of that fractional part of the SE $\frac{1}{4}$ NW $\frac{1}{4}$  and the fractional part of the NE $\frac{1}{4}$ SW $\frac{1}{4}$  of Sec. 7, T-30-N, R-11-W, N.M.P.M., lying North of U. S. Highway No. 550, and described by metes and bounds as follows:

BEGINNING at the Northwest Corner of the SE $\frac{1}{4}$ NW $\frac{1}{4}$  of Sec. 7, T-30-N, R-11-W, N.M.P.M.;

THENCE South along the West boundary line of the said SE $\frac{1}{4}$ NW $\frac{1}{4}$  to a point 319 feet North of the Southwest corner of the said SE $\frac{1}{4}$ NW $\frac{1}{4}$  of said Sec. 7;

THENCE East 450 feet to Arroya bank;

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Page 44  
Exhibit "A"

Tract No. 4, continued

Description of lands, continued: THENCE following the West bank of the Arroya as follows:

South 32°30' East 500 feet, THENCE  
South 17°10' East 148 feet, THENCE  
South 2°30' East 258 feet, THENCE  
South 27°10' West 120 feet, THENCE  
South 48°30' West 100 feet, THENCE  
South 81°30' West 130 feet, THENCE  
South 75°40' West 271 feet, THENCE  
South 56°35' West 230 feet to the  
North right-of-way of State Highway  
No. 550, thence in an Easterly  
direction along the North boundary  
line of State Highway No. 550 right-  
of-way a distance of 1306 feet to a  
point in the East line of the NE $\frac{1}{4}$ SW $\frac{1}{4}$   
of Sec. 7, T-30-N, R-11-W, N.M.P.M.;

THENCE North along the East line of the  
NE $\frac{1}{4}$ SW $\frac{1}{4}$  and East line of the SE $\frac{1}{4}$ NW $\frac{1}{4}$  of  
said Sec. 7 to the Northeast corner of  
the SE $\frac{1}{4}$ NW $\frac{1}{4}$  of said Sec. 7;

THENCE West along the North line of said  
SE $\frac{1}{4}$ NW $\frac{1}{4}$  to its Northwest corner the point  
of beginning.

Number of Acres: 48.93

Tract No. 5: (NM-43)

Lessors: Clyde Utton and Edna Utton, his wife  
Present Lessee: Southwest Production Company  
Date of Lease: May 25, 1953  
Recorded: Book 218, page 118, records of San Juan  
County, New Mexico  
Pooling Provisions: Same as Tract No. 4  
Royalty Interest and Percentage: Clyde Utton and Edna Utton, his wife 12.5%  
Overriding Royalty Interest and  
Percentage: A. P. Carr and Company 17. %  
80% production payment of \$672,000.00  
in favor of Man Drilling Company, Inc.  
Working Interest and Percentage: Southwest Production Company 70.5%  
Description of Lands Committed: 48 acres, more or less, and being a frac-  
tion of each of the NW $\frac{1}{4}$ SW $\frac{1}{4}$  of the NE $\frac{1}{4}$ SW $\frac{1}{4}$   
and of the SE $\frac{1}{4}$ NW $\frac{1}{4}$  of Section 7, T-30-N,  
R-11-W, N.M.P.M., and described by metes  
and bounds as follows:

BEGINNING at the Northwest corner of Lot  
Three (3), otherwise known as the NW $\frac{1}{4}$ SW $\frac{1}{4}$   
of said Sec. 7;

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Page 45  
Exhibit "A"

Tract No. 5, continued

Description of Land, continued:

THENCE East to the Northeast corner of said Lot Three (3);

THENCE North 319 feet;

THENCE East 450 feet to Arroya bank;

THENCE following the West bank of the Arroyo as follows:

South 32°30' East 500 feet;  
South 17°10' East 148 feet;  
South 2°30' East 258 feet;  
South 27°10' West 120 feet;  
South 48°30' West 100 feet;  
South 81°30' West 130 feet;  
South 75°40' West 271 feet;  
South 56°35' West 230 feet to the North right-of-way of State Highway No. 550;

THENCE following said Highway South 84°10' West 1500 feet to the West line of said Lot Three (3);

THENCE North 1000 feet to the point of beginning, containing 48 acres, more or less.

Number of Acres: 49.08

Tract No. 6: (NM-46) (NA-195)

Lessors:	A. J. Hall and Nell Hall, his wife
Present Lessee:	Southwest Production Company
Date of Lease:	May 12, 1953; and June 30, 1954
Recorded:	Book 216, page 53, and Book 254, page 31, records of San Juan County, New Mexico
Pooling Provisions:	Same as Tract No. 4
Royalty Interest and Percentage:	A. J. Hall 12.5%
Overriding Royalty Interest and Percentage:	A. P. Carr & Company 17. % 80% production payment of \$672,000.00 in favor of Man Drilling Company, Inc.
Working Interest and Percentage:	Southwest Production Company 70.5%
Description of Land Committed:	The $\frac{1}{2}$ of $\frac{1}{4}$ of $\frac{1}{4}$ plus 1.1 acres in the NW $\frac{1}{4}$ SW $\frac{1}{4}$ of Sec. 7, T-30-N, R-11-W, N.M.P.M., San Juan County, New Mexico, described as being bounded on the North by U. S. Highway 550, on the East by the Farmers (Community) Ditch, on the South by the North line of said subdivision, and on the West by the West line of said subdivision, all in said Sec. 7.
Number of Acres:	22.83



Tract No. 7: (NM 47)

Lessors: B. W. Sutton, a single man  
Present Lessee: Southwest Production Company  
Date of Lease: May 12, 1953  
Recorded: Book 216, page 56, records of San Juan County, New Mexico  
Pooling Provisions: Same as Tract No. 4  
Royalty Interest and Percentage: B. W. Sutton, a single man 12.5%  
Overriding Royalty Interest and Percentage: A. P. Carr & Company 17. %  
80% production payment of \$672,000.00 in favor of Man Drilling Company, Inc.  
Working Interest and Percentage: Southwest Production Company 70.5%  
Description of Lands Committed:  $\frac{1}{2}\text{SW}\frac{1}{4}\text{SW}\frac{1}{4}$  of Section 7, except that portion North of the old Aztec-Farmington Highway  
Number of Acres: 16

Tract No. 8-A: (NM 45)

Lessors: James L. Jones and Muriel Jones, his wife  
Present Lessee: Southwest Production Company  
Date of Lease: May 20, 1953  
Recorded: Book 214, page 234, records of San Juan County, New Mexico  
Pooling Provisions: Same as Tract No. 3  
Royalty Interest and Percentage: Elmer L. Middleton 12.5%  
Overriding Royalty Interest and Percentage: A. P. Carr & Company 17. %  
80% production payment of \$672,000.00 in favor of Man Drilling Company, Inc.  
Working Interest and Percentage: Southwest Production Company 70.5%  
Description of Lands Committed: All that part of the lands described in Tract 8-B, below, lying in the  $\frac{1}{2}\text{NW}\frac{1}{4}\text{SW}\frac{1}{4}$ .  
Number of Acres: 3.51

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Page #7  
Exhibit "A"

Tract No. B-B:

Lessor: Same as Lease 8-A

Present Lessee: Southwest Production Company

Date of Lease: Same as Lease 8-A

Recorded: Same as Lease 8-A

Pooling Provisions: Same as Lease 8-A

Royalty Interest and Percentage: Lyle M. Klohn and Hannah J. Klohn,  
his wife

Overriding Royalty Interest and Percentage: A. P. Carr & Company 17. %  
80% production payment of \$672,000.00  
in favor of Man Drilling Company

Working Interest and Percentage: Southwest Production Company 70.5%

Description of Lands Committed: All that part of the NE $\frac{1}{4}$ SW $\frac{1}{4}$  lying South of the South line of the right-of-way of Federal Highway No. 550, and all that part of the SE $\frac{1}{4}$ SW $\frac{1}{4}$  lying North of the North line of the right-of-way of the old Farmington-Aztec Highway EXCEPTING from the above lands the following described tracts:

BEGINNING at a point where the South line of Highway No. 550 intersects the East line of the NE $\frac{1}{4}$ SW $\frac{1}{4}$ ,

THENCE South 392 feet, more or less, to the North side of the public road (old Farmington-Aztec Highway);

THENCE Westerly along the North side of said road 787 feet;

THENCE North 520 feet, more or less, to the South line of said Highway No. 550;

THENCE Easterly along the South line of said Highway 652 feet, more or less, to the point of beginning;

AND all that part of the NW $\frac{1}{4}$ SW $\frac{1}{4}$  which lies South of the South line of the right-of-way of Federal Highway No. 550;

EXCEPTING from the last above described tract the following tract:

A fractional part of the NW $\frac{1}{4}$ SW $\frac{1}{4}$  described as follows:

BOUNDED on the North by U. S. Highway No. 550; on the East by the Farmers Community Ditch; on the South by the South line of said subdivision; and on the West by the West line of said subdivision, containing one (1) acre;

ALL of the above-described land being in Sec. 7, T-30-N, R-11-W, N.M.P.M., San Juan County, New Mexico.

Number of Acres:

15.29

Tract No. 9: (N 43)

Lessors: Jack Salsbury and Grace Salsbury,  
his wife

Present Lessee: Southwest Production Company

Date of Lease: May 13, 1953

Recorded: Book 223, page 106, records of San Juan  
County, New Mexico

Pooling Provisions: Same as Tract No. 4.

Royalty Interest and Percentage: Grace Salsbury 12.5%

Overriding Royalty Interest and Percentage: A. P. Carr & Company 17. %  
80% production payment of \$672,000.00  
in favor of Man Drilling Company, Inc.

Working Interest and Percentage: Southwest Production Company 70.5%

Description of Lands Committed: All that part of the  $E\frac{1}{2}SW\frac{1}{4}$  of Section 7  
lying and being South and East of the  
public highway, and a strip of land in  
the  $NE\frac{1}{4}SW\frac{1}{4}$  of said Section 7 described  
as follows:

BEGINNING at a point where the public  
road crosses the East line of said  
 $NE\frac{1}{4}SW\frac{1}{4}$ ;

THENCE North along said line 150 feet;

THENCE in a southwesterly direction  
parallel with said public road 450 feet;

THENCE South 150 feet to the North side  
of said public road;

THENCE Northeast along said road to the  
place of beginning.

Number of Acres: 38

Tract No. 10: (NM - 44)

Lessors: Roy Young and Esther Crane Young

Present Lessee: Southwest Production Company

Date of Lease: September 15, 1953

Recorded: Book 249, page 93, records of San Juan  
County, New Mexico

Pooling Provisions: Same as Tract No. 3

Royalty Interest and Percentage: Robert M. Stinson and Ruby Stinson, his  
wife, joint tenants 12.5%

Overriding Royalty Interest and Percentage: A. P. Carr & Company 17. %  
80% production payment of \$672,000.00  
in favor of Man Drilling Company, Inc.

Working Interest and Percentage: Southwest Production Company 70.5%

Description of Lands Committed: All that part of the  $E\frac{1}{2}SW\frac{1}{4}SW\frac{1}{4}$  of Sec. 7  
lying North of the old Aztec-Farmington  
Highway

Number of Acres: 5

*Man Drilling  
Company Real Estate Company  
11221 Ave. 300 N.W.*

143-2

Page #9  
Exhibit "A"

Tract No. 11: (111-17)

Lessors: LaVor Burnham and Barbara Burnham,  
his wife

Present Lessee: Southwest Production Company

Date of Lease: September 28, 1960

Recorded: Book 465, page 6, records of San Juan  
County, New Mexico

Pooling Provisions: "Lessee is hereby given the right at its  
option, at any time and from time to  
time, to pool or unitize all or any part  
or parts of the above described land with  
other land, lease, or leases in the  
immediate vicinity thereof, such pooling  
to be into units not exceeding the mini-  
mum size tract on which a well may be  
drilled under laws, rules, or regula-  
tions in force at the time of such  
pooling or unitization: provided, how-  
ever, that such units may exceed such  
minimum by not more than ten acres if  
such excess is necessary in order to  
conform to ownership subdivisions or  
lease lines."

Royalty Interest and Percentage: LaVor Burnham and Barbara Burnham,  
his wife

Overriding Royalty Interest and  
Percentage: A. P. Carr & Company 17. %  
80% production payment of \$672,000.00  
in favor of Man Drilling Company, Inc.

Working Interest and Percentage: Southwest Production Company 70.5%

Description of Lands Committed: BEGINNING at a point on the South line of  
Highway No. 550 which is 492 feet South-  
westerly of a point where the South line  
of said Highway No. 550 intersects the  
East line of the NE $\frac{1}{4}$ SW $\frac{1}{4}$  of Sec. 7, T-30-N,  
R-11-W, N.M.P.M.,

THENCE continuing Southwesterly along the  
South line of said Highway No. 550, 160  
feet,

THENCE South 520 feet, more or less, to  
a point on the North line of the Public  
Road (Old Farmington-Aztec Highway);

THENCE Northwesterly along the North line  
of said public road to a point South of  
the point of beginning,

THENCE North to the point of beginning,  
containing three (3) acres, more or less.

Number of Acres: 3.37

143-J

Page #10  
Exhibit "A"

RECAPITULATION

TOTAL ACREAGE IN UNIT: 327.01

<u>Tracts:</u>	<u>Number of Acres in Unit</u>	<u>Percentage of Unit</u>
1	42.45	12.98%
2	40.00	12.23%
3	42.55	13.01%
4	48.93	14.96%
5	49.08	15.01%
6	22.83	6.98%
7	16.00	4.89%
8-A	3.51	1.07%
8-B	15.29	4.68%
9	38.00	11.62%
10	5.00	1.53%
11	<u>3.37</u>	<u>1.04%</u>
	327.01	100.00%

RATIFICATION OF COMMUNITIZATION OR POOLING  
AGREEMENT

WHEREAS, under date of February 8, 1961, an Agreement was entered into communitizing and pooling mineral, royalty and leasehold rights or interests in and under the following described lands:

Township 30 North, Range 11 West, N.M.P.M.  
San Juan County, New Mexico

Section 7: West Half (W $\frac{1}{2}$ )

except for 3.39 acres in the NE $\frac{1}{4}$

containing 327.01 acres, more or less, forming a cooperative drilling unit for the purpose of developing and producing oil, gas and associated liquid hydrocarbons from the Dakota formation in conformity with the well-spacing program established for the field or area in which said lands are located; and,

WHEREAS, the undersigned owning mineral rights or interests in all or part of the above described lands, desire(s) to ratify, adopt and consent to the said Agreement;

NOW, THEREFORE, in consideration of the premises and in order that development of the communitized or pooled area may proceed, the undersigned do hereby ratify, adopt and consent to said Agreement referred to above and agree to be bound by its terms and provisions as fully as if the undersigned had executed and delivered a copy of said Agreement, and does ratify and acknowledge the existence and good standing of the lease or leases shown on Exhibit "A" to said Agreement under which the undersigned own an interest and do by these presents grant to the record owners of said leases a leasehold as described in the lease or leases covering the interest of the undersigned for the term of the above described Agreement.

This ratification, adoption and consent shall be effective as of the date of said Agreement, notwithstanding the date of execution of this instrument, and the undersigned expressly acknowledge receipt of a copy of said Communitization or Pooling Agreement.

IN WITNESS WHEREOF, this instrument is executed by the undersigned on the date set opposite the name of the undersigned.

Date August 25, 1961 By: DELHI-TAYLOR OIL CORPORATION  
[Signature]  
Vice President

Date \_\_\_\_\_

State of TEXAS)  
County of DALLAS)

The foregoing instrument was acknowledged before me this 25th day of August, 1961, by Frederic P. Sewell

My commission expires:  
June 1, 1963

[Signature]  
Notary Public in and for \_\_\_\_\_  
Dallas County, Texas

RECEIVED

SEP 6 - 1961

U. S. GEOLOGICAL SURVEY  
ROSWELL, NEW MEXICO

144

STATE OF NEW MEXICO, County of San Juan SS.  
I hereby certify this instrument was filed for record  
on March 8, 1962 at 9:32 o'clock a.m.  
and duly entered in Book 510 page 44 of the  
Records of said county.  
Sarah Goodding  
Probate Clerk and ex-officio Recorder

S.W.P. 43

RATIFICATION OF COMMUNITIZATION OR POOLING  
AGREEMENT

WHEREAS, under date of February 8, 1961, an Agreement was entered into communitizing and pooling mineral, royalty and leasehold rights or interests in and under the following described lands:

Township 30 North, Range 11 West, N.M.P.M.  
San Juan County, New Mexico

Section 7: West Half (W $\frac{1}{2}$ )

containing 320 acres, more or less, forming a cooperative drilling unit for the purpose of developing and producing oil, gas and associated liquid hydrocarbons from the Dakota formation in conformity with the well-spacing program established for the field or area in which said lands are located; and,

WHEREAS, the undersigned owning mineral rights or interests in all or part of the above described lands, desire(s) to ratify, adopt and consent to the said Agreement:

NOW, THEREFORE, in consideration of the premises and in order that development of the communitized or pooled area may proceed, the undersigned do hereby ratify, adopt and consent to said Agreement referred to above and agree to be bound by its terms and provisions as fully as if the undersigned had executed and delivered a copy of said Agreement, and does ratify and acknowledge the existence and good standing of the lease or leases shown on Exhibit "A" to said Agreement under which the undersigned own royalty or working interests.

This ratification, adoption and consent shall be effective as of the date of said Agreement, notwithstanding the date of execution of this instrument, and the undersigned expressly acknowledge receipt of a copy of said Communitization or Pooling Agreement.

IN WITNESS WHEREOF, this instrument is executed by the undersigned on the date set opposite the name of the undersigned.

Date: April 13, 1961

LaVorn Burnham  
LaVorn Burnham

Date: April 13, 1961

Barbara Burnham  
Barbara Burnham

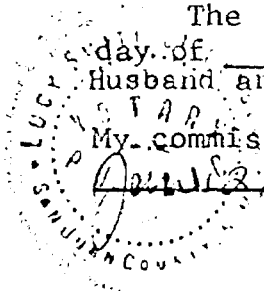
State of NEW MEXICO)  
County of SAN JUAN)

The foregoing instrument was acknowledged before me this 13th day of April, 1961, by LaVorn Burnham and Barbara Burnham, Husband and Wife.

My commission expires:

April 13, 1963

Larry Smith (Bill Keck)  
Notary Public in and for  
San Juan County, New Mexico



I hereby certify that this instrument was duly recorded on 3-8-62 at 9:33 a.m. in Book 510 Page 145 of the Records of said county.145  
SWP-43Sarah Gooding  
Probate Clerk and ex officio RecorderRATIFICATION OF COMMUNITIZATION OR POOLING  
AGREEMENT

WHEREAS, under date of February 8, 1961, an Agreement was entered into communitizing and pooling mineral, royalty and leasehold rights or interests in and under the following described lands:

Township 30 North, Range 11 West, N.M.P.M.  
San Juan County, New Mexico

Section 7: W $\frac{1}{2}$

containing 320 acres, more or less, forming a cooperative drilling unit for the purpose of developing and producing oil, gas and associated liquid hydrocarbons from the Dakota formation in conformity with the well-spacing program established for the field or area in which said lands are located; and,

WHEREAS, the undersigned owning mineral rights or interests in all or part of the above described lands, desire(s) to ratify, adopt and consent to the said Agreement;

NOW, THEREFORE, in consideration of the premises and in order that development of the communitized or pooled area may proceed, the undersigned do hereby ratify, adopt and consent to said Agreement referred to above and agree to be bound by its terms and provisions as fully as if the undersigned had executed and delivered a copy of said Agreement, and does ratify and acknowledge the existence and good standing of the lease or leases shown on Exhibit "A" to said Agreement under which the undersigned own an interest and do by these presents grant to the record owners of said leases a leasehold as described in the lease or leases covering the interest of the undersigned for the term of the above described Agreement.

This ratification, adoption and consent shall be effective as of the date of said Agreement, notwithstanding the date of execution of this instrument, and the undersigned expressly acknowledge receipt of a copy of said Communitization or Pooling Agreement.

IN WITNESS WHEREOF, this instrument is executed by the undersigned on the date set opposite the name of the undersigned.

Date March, 1961

Robert M. Stinson

Date March, 1961

Ruby Stinson

State of New Mexico

County of San Juan

The foregoing instrument was acknowledged before me this 28 day of March, 1961, by Robert M. Stinson and Ruby Stinson

My commission expires:

July 15, 1963

Maribel W. Luter

Notary Public in and for

San Juan County, N. Mex.



I hereby certify this instrument was filed  
on 3-8-62 at 9:34 a.m.  
and duly recorded in Book 510 page 146  
Records of said County.  
Lorraine L. Evenstad  
Notary Clerk and ex-officio Registrar

SWP-43

RATIFICATION OF COMMUNITIZATION OR POOLING  
AGREEMENT

WHEREAS, under date of February 8, 1961, an Agreement was entered into communitizing and pooling mineral, royalty and leasehold rights or interests in and under the following described lands:

Township 30 North, Range 11 West, N.M.P.M.  
San Juan County, New Mexico

Section 7;  $W\frac{1}{2}$

containing 320 acres, more or less, forming a cooperative drilling unit for the purpose of developing and producing oil, gas and associated liquid hydrocarbons from the Dakota formation in conformity with the well-spacing program established for the field or area in which said lands are located; and,

WHEREAS, the undersigned owning mineral rights or interests in all or part of the above described lands, desire(s) to ratify, adopt and consent to the said Agreement;

NOW, THEREFORE, in consideration of the premises and in order that development of the communitized or pooled area may proceed, the undersigned do hereby ratify, adopt and consent to said Agreement referred to above and agree to be bound by its terms and provisions as fully as if the undersigned had executed and delivered a copy of said Agreement, and does ratify and acknowledge the existence and good standing of the lease or leases shown on Exhibit "A" to said Agreement under which the undersigned own an interest and do by these presents grant to the record owners of said leases a leasehold as described in the lease or leases covering the interest of the undersigned for the term of the above described Agreement.

This ratification, adoption and consent shall be effective as of the date of said Agreement, notwithstanding the date of execution of this instrument, and the undersigned expressly acknowledge receipt of a copy of said Communitization or Pooling Agreement.

IN WITNESS WHEREOF, this instrument is executed by the undersigned on the date set opposite the name of the undersigned.

Date March 6, 1961

Grace Salisbury  
Grace Salisbury  
Margaret Salisbury

Date \_\_\_\_\_

State of New Mexico  
County of San Juan

The foregoing instrument was acknowledged before me this 6th day of March, 1961, by Lorraine L. Evenstad

? yll  
Evenstad

My commission expires:  
February 17 1964

Lorraine L. Evenstad  
Notary Public in and for  
San Juan County, New Mexico

I hereby certify this instrument was filed for record on 3-8-62 350 R 147  
 and duly recorded in page 14701 SWP 43  
 Records of said county

Sarah Loddington  
 Probate Clerk and ex officio Recorder

RATIFICATION OF COMMUNITIZATION OR POOLING  
AGREEMENT

WHEREAS, under date of February 8, 1961, an Agreement was entered into communitizing and pooling mineral, royalty and leasehold rights or interests in and under the following described lands:

Township 30 North, Range 11 West, N.M.P.M.  
San Juan County, New Mexico

Section 7:  $W\frac{1}{2}$

containing 320 acres, more or less, forming a cooperative drilling unit for the purpose of developing and producing oil, gas and associated liquid hydrocarbons from the Dakota formation in conformity with the well-spacing program established for the field or area in which said lands are located; and,

WHEREAS, the undersigned owning mineral rights or interests in all or part of the above described lands, desire(s) to ratify, adopt and consent to the said Agreement;

NOW, THEREFORE, in consideration of the premises and in order that development of the communitized or pooled area may proceed, the undersigned do hereby ratify, adopt and consent to said Agreement referred to above and agree to be bound by its terms and provisions as fully as if the undersigned had executed and delivered a copy of said Agreement, and does ratify and acknowledge the existence and good standing of the lease or leases shown on Exhibit "A" to said Agreement under which the undersigned own an interest and do by these presents grant to the record owners of said leases a leasehold as described in the lease or leases covering the interest of the undersigned for the term of the above described Agreement,

This ratification, adoption and consent shall be effective as of the date of said Agreement, notwithstanding the date of execution of this instrument, and the undersigned expressly acknowledge receipt of a copy of said Communitization or Pooling Agreement.

IN WITNESS WHEREOF, this instrument is executed by the undersigned on the date set opposite the name of the undersigned.

Date March, 1961

Lyle M. Klohn  
 Lyle M. Klohn

Date March, 1961

Hannah J. Klohn  
 Hannah J. Klohn

State of New Mexico)

County of San Juan)

The foregoing instrument was acknowledged before me this 4th day of March, 1961, by Lyle M. Klohn & Hannah J. Klohn, husband & wife.

My commission expires:  
January 12, 1963

Lucy Smith Bledsoe  
 Notary Public in and for  
San Juan County, New Mexico

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STATE OF NEW MEXICO, County of San Juan SS

I hereby certify this instrument was filed for record on 3-8-62 at 9:20 a.m. and duly recorded in Book 510 page 148 of the Records of this County.

Sarah Handberg  
Probate Clerk and ex officio Recorder

SWP-43

RATIFICATION OF COMMUNITIZATION OR POOLING AGREEMENT

WHEREAS, under date of February 8, 1961, an Agreement was entered into communitizing and pooling mineral, royalty and leasehold rights or interests in and under the following described lands:

Township 30 North, Range 11 West, N.M.P.M.  
San Juan County, New Mexico

Section 7:  $W\frac{1}{2}$

containing 320 acres, more or less, forming a cooperative drilling unit for the purpose of developing and producing oil, gas and associated liquid hydrocarbons from the Dakota formation in conformity with the well-spacing program established for the field or area in which said lands are located; and,

WHEREAS, the undersigned owning mineral rights or interests in all or part of the above described lands, desire(s) to ratify, adopt and consent to the said Agreement;

NOW, THEREFORE, in consideration of the premises and in order that development of the communitized or pooled area may proceed, the undersigned do hereby ratify, adopt and consent to said Agreement referred to above and agree to be bound by its terms and provisions as fully as if the undersigned had executed and delivered a copy of said Agreement, and does ratify and acknowledge the existence and good standing of the lease or leases shown on Exhibit "A" to said Agreement under which the undersigned own an interest and do by these presents grant to the record owners of said leases a leasehold as described in the lease or leases covering the interest of the undersigned for the term of the above described Agreement,

This ratification, adoption and consent shall be effective as of the date of said Agreement, notwithstanding the date of execution of this instrument, and the undersigned expressly acknowledge receipt of a copy of said Communitization or Pooling Agreement.

IN WITNESS WHEREOF, this instrument is executed by the undersigned on the date set opposite the name of the undersigned.

Date March 7, 1961

B. W. Sutton

Brison W. Sutton, also known as B. W. Sutton,  
a single man

Date \_\_\_\_\_

State of New Mexico

County of San Juan

The foregoing instrument was acknowledged before me this 7th day of March, 1961, by Brison W. Sutton, aka B. W. Sutton, a single man.

My commission expires:  
January 12, 1963

Lucy Smith Bildersbeck  
Notary Public in and for  
San Juan County, New Mexico

on 3-8-62

at 9:11 o'clock a.m.

Book 510 page 149  
Records of said CountyJ. W. Goodding  
Probate Clerk and ex officio RecorderRATIFICATION OF COMMUNITIZATION OR POOLING  
AGREEMENT

WHEREAS, under date of February 8, 1961, an Agreement was entered into communitizing and pooling mineral, royalty and leasehold rights or interests in and under the following described lands:

Township 30 North, Range 11 West, N.M.P.M.  
San Juan County, New Mexico

Section 8:  $W\frac{1}{2}$

containing 320 acres, more or less, forming a cooperative drilling unit for the purpose of developing and producing oil, gas and associated liquid hydrocarbons from the Dakota formation in conformity with the well-spacing program established for the field or area in which said lands are located; and,

WHEREAS, the undersigned owning mineral rights or interests in all or part of the above described lands, desire(s) to ratify, adopt and consent to the said Agreement;

NOW, THEREFORE, in consideration of the premises and in order that development of the communitized or pooled area may proceed, the undersigned do hereby ratify, adopt and consent to said Agreement referred to above and agree to be bound by its terms and provisions as fully as if the undersigned had executed and delivered a copy of said Agreement, and does ratify and acknowledge the existence and good standing of the lease or leases shown on Exhibit "A" to said Agreement under which the undersigned own an interest and do by these presents grant to the record owners of said leases a leasehold as described in the lease or leases covering the interest of the undersigned for the term of the above described Agreement.

This ratification, adoption and consent shall be effective as of the date of said Agreement, notwithstanding the date of execution of this instrument, and the undersigned expressly acknowledge receipt of a copy of said Communitization or Pooling Agreement.

IN WITNESS WHEREOF, this instrument is executed by the undersigned on the date set opposite the name of the undersigned.

Date March, 1961

A. J. Hall by Nell Hall  
A. J. Hall by NELL HALL (His Attorney in Fact)

Date March, 1961

Nell Hall

State of New Mexico)

County of San Juan)

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of March, 19\_\_\_\_, by Nell Hall the wife of A. J. Hall  
STATE OF NEW MEXICO )  
COUNTY OF SAN JUAN )

On this 6th day of March, 1961, before me personally appeared Nell Hall, to me known to be the person whose name is subscribed to the within instrument as the attorney in fact of A. J. Hall, and acknowledged to me that she subscribed the name of A. J. Hall thereto as principal, and her own name as attorney in fact.

My commission expires:

NOTARY PUBLIC

150

STATE OF NEW MEXICO, County of San Juan SS

on 3-8-62 38 of a 510 pag 150

Record of said County

Larrah Goodding  
Probate Clerk and ex officio

W P-43

RATIFICATION OF COMMUNITIZATION OR POOLING  
AGREEMENT

WHEREAS, under date of February 8, 1961, an Agreement was entered into communitizing and pooling mineral, royalty and leasehold rights or interests in and under the following described lands:

Township 30 North, Range 11 West, N.M.P.M.  
San Juan County, New Mexico

Section 7:  $W\frac{1}{2}$

containing 320 acres, more or less, forming a cooperative drilling unit for the purpose of developing and producing oil, gas and associated liquid hydrocarbons from the Dakota formation in conformity with the well-spacing program established for the field or area in which said lands are located; and,

WHEREAS, the undersigned owning mineral rights or interests in all or part of the above described lands, desire(s) to ratify, adopt and consent to the said Agreement;

NOW, THEREFORE, in consideration of the premises and in order that development of the communitized or pooled area may proceed, the undersigned do hereby ratify, adopt and consent to said Agreement referred to above and agree to be bound by its terms and provisions as fully as if the undersigned had executed and delivered a copy of said Agreement, and does ratify and acknowledge the existence and good standing of the lease or leases shown on Exhibit "A" to said Agreement under which the undersigned own an interest and do by these presents grant to the record owners of said leases a leasehold as described in the lease or leases covering the interest of the undersigned for the term of the above described Agreement,

This ratification, adoption and consent shall be effective as of the date of said Agreement, notwithstanding the date of execution of this instrument, and the undersigned expressly acknowledge receipt of a copy of said Communitization or Pooling Agreement.

IN WITNESS WHEREOF, this instrument is executed by the undersigned on the date set opposite the name of the undersigned.

Date March, 1961

Clyde Utton  
Clyde Utton

Date March, 1961

Edna Utton  
Edna Utton

State of New Mexico)

County of San Juan)

The foregoing instrument was acknowledged before me this 8 day of March, 1961, by Clyde Utton and Edna Utton, Husband and Wife.

My commission expires: 2-24-62

Shan Wall  
Notary Public in and for  
San Juan County, New Mexico

STATE OF NEW MEXICO, County of San Juan  
I hereby certify this instrument was filed  
on 3-8-62 9:39  
and the same is indexed 510-151  
Records of said County  
Sarah Goodding  
Probate Clerk and ex officio Recorder

RATIFICATION OF COMMUNITIZATION OR POOLING  
AGREEMENT

WHEREAS, under date of February 8, 1961, an Agreement was entered into communitizing and pooling mineral, royalty and leasehold rights or interests in and under the following described lands:

Township 30 North, Range 11 West, N.M.P.M.  
San Juan County, New Mexico

Section 7:  $W\frac{1}{2}$

containing 320 acres, more or less, forming a cooperative drilling unit for the purpose of developing and producing oil, gas and associated liquid hydrocarbons from the Dakota formation in conformity with the well-spacing program established for the field or area in which said lands are located; and,

WHEREAS, the undersigned owning mineral rights or interests in all or part of the above described lands, desire(s) to ratify, adopt and consent to the said Agreement;

NOW, THEREFORE, in consideration of the premises and in order that development of the communitized or pooled area may proceed, the undersigned do hereby ratify, adopt and consent to said Agreement referred to above and agree to be bound by its terms and provisions as fully as if the undersigned had executed and delivered a copy of said Agreement, and does ratify and acknowledge the existence and good standing of the lease or leases shown on Exhibit "A" to said Agreement under which the undersigned own an interest and do by these presents grant to the record owners of said leases a leasehold as described in the lease or leases covering the interest of the undersigned for the term of the above described Agreement.

This ratification, adoption and consent shall be effective as of the date of said Agreement, notwithstanding the date of execution of this instrument, and the undersigned expressly acknowledge receipt of a copy of said Communitization or Pooling Agreement.

IN WITNESS WHEREOF, this instrument is executed by the undersigned on the date set opposite the name of the undersigned.

Date March, 1961

C. R. Hancock

Date March, 1961

Frances Hancock

State of New Mexico)  
County of San Juan)

The foregoing instrument was acknowledged before me this 10<sup>th</sup> day of March, 1961, by C. R. Hancock and Frances Hancock, Husband and Wife.

My commission expires:

Michael W. Lester  
Notary Public in and for  
San Juan County, New Mexico

SWP-43

RATIFICATION OF COMMUNITIZATION OR POOLING AGREEMENT

WHEREAS, under date of February 8, 1961, an Agreement was entered into communitizing and pooling mineral, royalty and leasehold rights or interests in and under the following described lands:

Township 30 North, Range 11 West, N.M.P.M.  
San Juan County, New Mexico

Section 7: W $\frac{1}{2}$

containing 320 acres, more or less, forming a cooperative drilling unit for the purpose of developing and producing oil, gas and associated liquid hydrocarbons from the Dakota formation in conformity with the well-spacing program established for the field or area in which said lands are located; and,

WHEREAS, the undersigned owning mineral rights or interests in all or part of the above described lands, desire(s) to ratify, adopt and consent to the said Agreement;

NOW, THEREFORE, in consideration of the premises and in order that development of the communitized or pooled area may proceed, the undersigned do hereby ratify, adopt and consent to said Agreement referred to above and agree to be bound by its terms and provisions as fully as if the undersigned had executed and delivered a copy of said Agreement, and does ratify and acknowledge the existence and good standing of the lease or leases shown on Exhibit "A" to said Agreement under which the undersigned own an interest and do by these presents grant to the record owners of said leases a leasehold as described in the lease or leases covering the interest of the undersigned for the term of the above described Agreement.

This ratification, adoption and consent shall be effective as of the date of said Agreement, notwithstanding the date of execution of this instrument, and the undersigned expressly acknowledge receipt of a copy of said Communitization or Pooling Agreement.

IN WITNESS WHEREOF, this instrument is executed by the undersigned on the date set opposite the name of the undersigned.

Date March, 1961

James F. Scott  
James F. Scott

Date March, 1961

Lela Scott  
Lela Scott

State of New Mexico)

County of San Juan)

The foregoing instrument was acknowledged before me this 6th day of March, 1961, by James F. Scott and Lela Scott, Husband and Wife

My commission expires: January 12, 1963

Twigg Smith  
Notary Public in and for  
San Juan County, New Mexico

STATE OF NEW MEXICO, County of San Juan SS.  
I hereby certify that this instrument was recorded  
on 3-8-62 at 7:41 AM in Book 510, page 153 of the  
Records of said County.  
*Sarah Goodling*  
Probate Clerk and ex officio Recorder

153  
SW 8-43

RATIFICATION OF COMMUNITIZATION OR POOLING  
AGREEMENT

WHEREAS, under date of February 8, 1961, an Agreement was entered into communitizing and pooling mineral, royalty and leasehold rights or interests in and under the following described lands:

Township 30 North, Range 11 West, N.M.P.M.  
San Juan County, New Mexico

Section 7: West Half (W<sup>1</sup>)

containing 320 acres, more or less, forming a cooperative drilling unit for the purpose of developing and producing oil, gas and associated liquid hydrocarbons from the Dakota formation in conformity with the well-spacing program established for the field or area in which said lands are located; and,

WHEREAS, the undersigned owning mineral rights or interests in all or part of the above described lands, desire(s) to ratify, adopt and consent to the said Agreement:

NOW, THEREFORE, in consideration of the premises and in order that development of the communitized or pooled area may proceed, the undersigned do hereby ratify, adopt and consent to said Agreement referred to above and agree to be bound by its terms and provisions as fully as if the undersigned had executed and delivered a copy of said Agreement, and does ratify and acknowledge the existence and good standing of the lease or leases shown on Exhibit "A" to said Agreement under which the undersigned own royalty or working interests.

This ratification, adoption and consent shall be effective as of the date of said Agreement, notwithstanding the date of execution of this instrument, and the undersigned expressly acknowledge receipt of a copy of said Communitization or Pooling Agreement.

IN WITNESS WHEREOF, this instrument is executed by the undersigned on the date set opposite the name of the undersigned.

Date: May 9, 1961

*Marthe Werlla Guardian of the Estate of C. C. Peters*  
C. C. Peters

Date: \_\_\_\_\_

State of TEXAS)  
County of WICHITA)

The foregoing instrument was acknowledged before me this 9th day of May, 1961, by Marthe Werlla, guardian of the Estate of C. C. Peters.

My commission expires:  
June 1, 1961

*Bobbye Barnett*  
Notary Public in and for  
Wichita County, Texas  
BOBBYE BARNETT



I hereby certify that this instrument was filed for record on 3-8-62 at 7:42 a.m. and duly recorded in Book 510 at 154 of the Records of said County.

Sarah Goodding  
Probate Clerk and ex-officio Recorder

RATIFICATION OF COMMUNITIZATION OR POOLING AGREEMENT

WHEREAS, under date of February 8, 1961, an Agreement was entered into communitizing and pooling mineral, royalty and leasehold rights or interests in and under the following described lands:

Township 30 North, Range 11 West, N.M.P.M.  
San Juan County, New Mexico

Section 7: West Half (W $\frac{1}{2}$ )

containing 320 acres, more or less, forming a cooperative drilling unit for the purpose of developing and producing oil, gas and associated liquid hydrocarbons from the Dakota formation in conformity with the well-spacing program established for the field or area in which said lands are located; and,

WHEREAS, the undersigned owning mineral rights or interests in all or part of the above described lands, desire(s) to ratify, adopt and consent to the said Agreement:

NOW, THEREFORE, in consideration of the premises and in order that development of the communitized or pooled area may proceed, the undersigned do hereby ratify, adopt and consent to said Agreement referred to above and agree to be bound by its terms and provisions as fully as if the undersigned had executed and delivered a copy of said Agreement, and does ratify and acknowledge the existence and good standing of the lease or leases shown on Exhibit "A" to said Agreement under which the undersigned own royalty or working interests.

This ratification, adoption and consent shall be effective as of the date of said Agreement, notwithstanding the date of execution of this instrument, and the undersigned expressly acknowledge receipt of a copy of said Communitization or Pooling Agreement.

IN WITNESS WHEREOF, this instrument is executed by the undersigned on the date set opposite the name of the undersigned.

Date: March 14, 1962 Ernest A. Hanson  
Date: March 14, 1962 Bessie Irene Hanson

State of New Mexico)  
County of Chaves)

The foregoing instrument was acknowledged before me this 17<sup>th</sup> day of April, 1961, by Ernest A. Hanson & Bessie Irene Hanson

My commission expires: \_\_\_\_\_  
My Commission Expires February 1, 1963  
PUBLIC  
CHAVES COUNTY, N.M.

Daniel B. Goodhunter  
Notary Public in and for  
Chaves County, New Mexico

STATE OF NEW MEXICO, Co. of San Juan SS.  
I hereby certify that this instrument was filed for record on 3-8-62 9:43 a.m. at 510 and 155 of the  
Records of San Juan County.  
Sara Woodling  
Probate Clerk and ex officio Recorder

RATIFICATION OF COMMUNITIZATION OR POOLING  
AGREEMENT

WHEREAS, under date of February 8, 1961, an Agreement was entered into communitizing and pooling mineral, royalty and leasehold rights or interests in and under the following described lands:

Township 30 North, Range 11 West, N.M.P.M.  
San Juan County, New Mexico

Section 7: West Half (W $\frac{1}{2}$ )

containing 320 acres, more or less, forming a cooperative drilling unit for the purpose of developing and producing oil, gas and associated liquid hydrocarbons from the Dakota formation in conformity with the well-spacing program established for the field or area in which said lands are located; and,

WHEREAS, the undersigned owning mineral rights or interests in all or part of the above described lands, desire(s) to ratify, adopt and consent to the said Agreement:

NOW, THEREFORE, in consideration of the premises and in order that development of the communitized or pooled area may proceed, the undersigned do hereby ratify, adopt and consent to said Agreement referred to above and agree to be bound by its terms and provisions as fully as if the undersigned had executed and delivered a copy of said Agreement, and does ratify and acknowledge the existence and good standing of the lease or leases shown on Exhibit "A" to said Agreement under which the undersigned own royalty or working interests.

This ratification, adoption and consent shall be effective as of the date of said Agreement, notwithstanding the date of execution of this instrument, and the undersigned expressly acknowledge receipt of a copy of said Communitization or Pooling Agreement.

IN WITNESS WHEREOF, this instrument is executed by the undersigned on the date set opposite the name of the undersigned.

Date: April 17, 1961

Olen F. Featherstone  
Olen F. Featherstone

Date: April 17, 1961

Martha Featherstone  
Martha Featherstone

State of NEW MEXICO)  
County of CHAVES)

The foregoing instrument was acknowledged before me this 17 day of April, 1961, by Olen F. Featherstone and Martha Featherstone, his wife.

My commission expires:  
October 26, 1963

Notary Public in and for  
Chaves County, New Mexico

156:

STATE OF NEW MEXICO, County of San Juan SS.

I hereby certify the  
on 3-8-62 744 2 SWP-43  
and of 510 156 156  
Records of said county  
Sarah Goodling  
Probate Clerk and ex officio Recorder

RATIFICATION OF COMMUNITIZATION OR POOLING  
AGREEMENT

WHEREAS, under date of February 8, 1961, an Agreement was entered into communitizing and pooling mineral, royalty and leasehold rights or interests in and under the following described lands:

Township 30 North, Range 11 West, N.M.P.M.  
San Juan County, New Mexico

Section 7: West Half ( $W\frac{1}{2}$ )

containing 320 acres, more or less, forming a cooperative drilling unit for the purpose of developing and producing oil, gas and associated liquid hydrocarbons from the Dakota formation in conformity with the well-spacing program established for the field or area in which said lands are located; and,

WHEREAS, the undersigned owning mineral rights or interests in all or part of the above described lands, desire(s) to ratify, adopt and consent to the said Agreement:

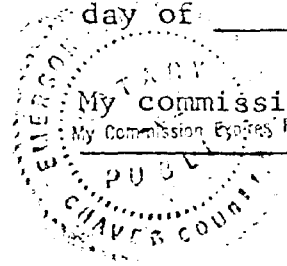
NOW, THEREFORE, in consideration of the premises and in order that development of the communitized or pooled area may proceed, the undersigned do hereby ratify, adopt and consent to said Agreement referred to above and agree to be bound by its terms and provisions as fully as if the undersigned had executed and delivered a copy of said Agreement, and does ratify and acknowledge the existence and good standing of the lease or leases shown on Exhibit "A" to said Agreement under which the undersigned own royalty or working interests.

This ratification, adoption and consent shall be effective as of the date of said Agreement, notwithstanding the date of execution of this instrument, and the undersigned expressly acknowledge receipt of a copy of said Communitization or Pooling Agreement.

IN WITNESS WHEREOF, this instrument is executed by the undersigned on the date set opposite the name of the undersigned.

Date: \_\_\_\_\_  
Date: \_\_\_\_\_  
State of New Mexico)  
County of San Juan)  
Hazel L. Gentle  
Glenn R. Gentle

The foregoing instrument was acknowledged before me this 17<sup>th</sup> day of April, 1961, by Hazel L. Gentle & Glenn R. Gentle.



My commission expires: \_\_\_\_\_  
My Commission Expires February 28, 1962

Emerson B. Toddhunter  
Notary Public in and for  
San Juan County, New Mexico

STATE OF NEW MEXICO, County of San Juan SS.  
11th day of March 1961  
on 3-8-62 1:45 PM  
Recorded 510 157  
*Larrah Gooding*  
Probate Clerk and ex officio Recorder

RATIFICATION OF COMMUNITIZATION OR POOLING  
AGREEMENT

WHEREAS, under date of February 8, 1961, an Agreement was entered into communitizing and pooling mineral, royalty and leasehold rights or interests in and under the following described lands:

Township 30 North, Range 11 West, N.M.P.M.  
San Juan County, New Mexico

Section 7; West Half ( $W\frac{1}{2}$ )

containing 320 acres, more or less, forming a cooperative drilling unit for the purpose of developing and producing oil, gas and associated liquid hydrocarbons from the Dakota formation in conformity with the well-spacing program established for the field or area in which said lands are located; and,

WHEREAS, the undersigned owning mineral rights or interests in all or part of the above described lands, desire(s) to ratify, adopt and consent to the said Agreement:

NOW, THEREFORE, in consideration of the premises and in order that development of the communitized or pooled area may proceed, the undersigned do hereby ratify, adopt and consent to said Agreement referred to above and agree to be bound by its terms and provisions as fully as if the undersigned had executed and delivered a copy of said Agreement, and does ratify and acknowledge the existence and good standing of the lease or leases shown on Exhibit "A" to said Agreement under which the undersigned own royalty or working interests.

This ratification, adoption and consent shall be effective as of the date of said Agreement, notwithstanding the date of execution of this instrument, and the undersigned expressly acknowledge receipt of a copy of said Communitization or Pooling Agreement.

IN WITNESS WHEREOF, this instrument is executed by the undersigned on the date set opposite the name of the undersigned.

Date: April 26, 1961 *Peter Faure*  
Peter Faure, a single man  
Date: \_\_\_\_\_

State of CALIFORNIA )  
County of Alameda )

The foregoing instrument was acknowledged before me this 26th day of April, 1961, by Peter Faure, a single man

My commission expires:  
June 1, 1964

*J. H. [Signature]*  
Notary Public in and for  
Alameda County, California

(Have this page only acknowledged)

I hereby certify this instrument was filed for record  
on 3-8-62 146 2  
and it is the 510 158 10  
Record of said County.

Sarah Goodding  
Probate Clerk and ex officio Recorder

SW 8-43

RATIFICATION OF COMMUNITIZATION OR POOLING  
AGREEMENT

WHEREAS, under date of February 8, 1961, an Agreement was entered into communitizing and pooling mineral, royalty and leasehold rights or interests in and under the following described lands:

Township 30 North, Range 11 West, N.M.P.M.

San Juan County, New Mexico

Section 7: W $\frac{1}{2}$

containing 320 acres, more or less, forming a cooperative drilling unit for the purpose of developing and producing oil, gas and associated liquid hydrocarbons from the Dakota formation in conformity with the well-spacing program established for the field or area in which said lands are located; and,

WHEREAS, the undersigned owning mineral rights or interests in all or part of the above described lands, desire(s) to ratify, adopt and consent to the said Agreement;

NOW, THEREFORE, in consideration of the premises and in order that development of the communitized or pooled area may proceed, the undersigned do hereby ratify, adopt and consent to said Agreement referred to above and agree to be bound by its terms and provisions as fully as if the undersigned had executed and delivered a copy of said Agreement, and does ratify and acknowledge the existence and good standing of the lease or leases shown on Exhibit "A" to said Agreement under which the undersigned own an interest and do by these presents grant to the record owners of said leases a leasehold as described in the lease or leases covering the interest of the undersigned for the term of the above described Agreement.

This ratification, adoption and consent shall be effective as of the date of said Agreement, notwithstanding the date of execution of this instrument, and the undersigned expressly acknowledge receipt of a copy of said Communitization or Pooling Agreement.

IN WITNESS WHEREOF, this instrument is executed by the undersigned on the date set opposite the name of the undersigned.

Date March 31, 1961

Roswell H. Chrisman

Roswell H. Chrisman

Date March 31, 1961

Virginia R. Chrisman

Virginia R. Chrisman

State of Illinois)  
County of Carpe)

The foregoing instrument was acknowledged before me this 31st day of March, 1961, by Roswell H. Chrisman and Virginia R. Chrisman

My commission expires:

December 14, 1962

Paul E. Kye  
Notary Public in and for

Carpe County, Illinois

Virginia R. Chrisman

RATIFICATION OF COMMUNITIZATION OR POOLING  
AGREEMENT

WHEREAS, under date of February 8, 1961, an Agreement was entered into communitizing and pooling mineral, royalty and leasehold rights or interests in and under the following described lands:

Township 30 North, Range 11 West, N.M.P.M.  
San Juan County, New Mexico

Section 7: West Half ( $W\frac{1}{2}$ ),  
except for 3.39 acres in the  $NE\frac{1}{4}SW\frac{1}{4}$ ,

containing 327.01 acres, more or less, forming a cooperative drilling unit for the purpose of developing and producing oil, gas and associated liquid hydrocarbons from the Dakota formation in conformity with the well-spacing program established for the field or area in which said lands are located; and,

WHEREAS, the undersigned owning mineral rights or interests in all or part of the above described lands, desire(s) to ratify, adopt and consent to the said Agreement;

NOW, THEREFORE, in consideration of the premises and in order that development of the communitized or pooled area may proceed, the undersigned do hereby ratify, adopt and consent to said Agreement referred to above and agree to be bound by its terms and provisions as fully as if the undersigned had executed and delivered a copy of said Agreement, and does ratify and acknowledge the existence and good standing of the lease or leases shown on Exhibit "A" to said Agreement under which the undersigned own an interest and do by these presents grant to the record owners of said leases a leasehold as described in the lease or leases covering the interest of the undersigned for the term of the above described Agreement.

This ratification, adoption and consent shall be effective as of the date of said Agreement, notwithstanding the date of execution of this instrument, and the undersigned expressly acknowledge receipt of a copy of said Communitization or Pooling Agreement.

IN WITNESS WHEREOF, this instrument is executed by the undersigned on the date set opposite the name of the undersigned.

Date August 25, 1961 By: DELHI-TAYLOR OIL CORPORATION  
[Signature]  
Vice President

Date \_\_\_\_\_

State of TEXAS )  
County of DALLAS )

The foregoing instrument was acknowledged before me this 25th day of August, 1961, by Fred P. Sewell

My commission expires:  
June 1, 1963

[Signature]  
Notary Public in and for \_\_\_\_\_  
Dallas County, Texas

RATIFICATION OF COMMITMENTIZATION OR POOLING  
AGREEMENT

WHEREAS, under date of February 6, 1961, an Agreement was entered into communitizing and pooling mineral, royalty and leasehold rights or interests in and under the following described lands:

Township 30 North, Range 11 East, S.W.P.  
San Juan County, New Mexico

Section 7: West Half (1/2),  
except for 3.30 acres in the NW 1/4.

containing 327.01 acres, more or less, forming a cooperative drilling unit for the purpose of developing and producing oil, gas and associated liquid hydrocarbons from the Sakota formation in conformity with the well-spacing program established for the field or area in which said lands are located; and,

WHEREAS, the undersigned owning mineral rights or interests in all or part of the above described lands, desire(s) to ratify, adopt and consent to the said Agreement;

NOW, THEREFORE, in consideration of the premises and in order that development of the communitized or pooled area may proceed, the undersigned do hereby ratify, adopt and consent to said Agreement referred to above and agree to be bound by its terms and provisions as fully as if the undersigned had executed and delivered a copy of said Agreement, and does ratify and acknowledge the existence and good standing of the lease or leases shown on Exhibit "A" to said Agreement under which the undersigned own an interest and do by these presents grant to the record owners of said leases a leasehold as described in the lease or leases covering the interest of the undersigned for the term of the above described Agreement.

This ratification, adoption and consent shall be effective as of the date of said Agreement, notwithstanding the date of execution of this instrument, and the undersigned expressly acknowledge receipt of a copy of said Communitization or Pooling Agreement.

IN WITNESS WHEREOF, this instrument is executed by the undersigned on the date set opposite the name of the undersigned.

Date August 25, 1961

124

Vice President

Date

State of TEXAS )  
County of DALLAS )

The foregoing instrument was acknowledged before me this 25th  
day of August, 1951, by Fred P. Sewell

My commission expires:  
June 1, 1963

Notary Public in/and for Dallas County, Texas

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.  
PHONE 325-1182

SANTA FE, N. M.  
PHONE 983-3871

ALBUQUERQUE, N. M.  
PHONE 243-6691

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
May 19, 1965

REGULAR HEARING

IN THE MATTER OF:

Application of Maleta Y. Brimhall and  
Barbara Burnham for force-pooling, San  
Juan County, New Mexico. Applicants, in  
the above-styled cause, seek an order  
force-pooling all mineral interests in the  
Basin-Dakota Pool underlying the W/2 of  
Section 7, Township 30 North, Range 11  
West, San Juan County, New Mexico.

Case No. 3188

BEFORE: Honorable Jack M. Campbell  
Mr. A. L. "Pete" Porter  
Mr. Guyton B. Hays

TRANSCRIPT OF HEARING





dearnley-meier reporting service inc.

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

1120 SIMMS BLDG. • P. O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO

PAGE 2

MR. PORTER: We will call Case No. 3188.

MR. DURRETT: Application of Maleta Y. Brimhall and Barbara Burnham for force-pooling, San Juan County, New Mexico.

If the Commission please, I would like to state for the record that we have received a letter from Mr. Sim Christy of the firm of Hinkle, Bondurant and Christy, representing the applicant Vada Development Company and by applicant I mean applicant for the hearing De Novo, requesting that their application for hearing De Novo be dismissed.

MR. PORTER: Is it your recommendation that the case be dismissed?

MR. DURRETT: I would so move, Mr. Porter.

MR. PORTER: Case 3188 will be dismissed.

dearnley-meier reporting service, inc.

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

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PAGE 3

STATE OF NEW MEXICO )  
 ) SS  
COUNTY OF BERNALILLO )

I, ADA DEARNLEY, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me; and that the same is a true and correct record of the said proceedings, to the best of my knowledge, skill and ability.

Witness my Hand and Seal this 2nd day of June, 1965.

  
NOTARY PUBLIC

My Commission Expires:

June 19, 1967.

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Hobbs ~~Santa Fe~~, New Mexico  
April 14, 1965

REGULAR HEARING

IN THE MATTER OF:

APPLICATION OF MALETA Y. BRIMHALL AND  
BARBARA BURNHAM FOR FORCE-POOLING, SAN  
JUAN COUNTY, NEW MEXICO

Case No. 3188  
(De Nova)

BEFORE:

GOVERNOR JACK M. CAMPBELL  
SECRETARY-DIRECTOR A. L. PORTER  
LAND COMMISSIONER GUYTON B. HAYS

TRANSCRIPT OF HEARING

DEARNLEY-MEIER REPORTING SERVICE, Inc.

SAN ANTONIO, N. M.  
PHONE 325-1182

SAN ANTONIO, N. M.  
PHONE 983-3971

ALBUQUERQUE, N. M.  
PHONE 243-6691



**SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS**

120 SIMMS BLDG. • P. O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO

MR. DURRETT: Application of Maleta Y. Brimhall and Barbara Burnham for force-pooling, San Juan County, New Mexico. I'd like to state for the record that this is an application for a hearing, and it has been requested that this case be continued, and the parties have stipulated that it will be continued to the May 19, 1965 regular hearing.

MR. PORTER: The parties having stipulated that the case will be continued to the regular May hearing, we will take Case Number 3238.

\* \* \*

STATE OF NEW MEXICO )  
 ) ss  
COUNTY OF BERNALILLO )

I, ELIZABETH K. HALE, Notary Public and Court Reporter,  
do hereby certify that the proceedings in the foregoing case  
were taken and transcribed by me and that the foregoing is a  
true and correct transcript of proceedings to the best of my  
knowledge, skill and ability.

IN WITNESS WHEREOF, my hand and seal of office this 25th day of April, 1965.

Notary Public

My commission expires  
May 23, 1968.

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
January 6, 1965

EXAMINER HEARING

IN THE MATTER OF:

APPLICATION OF MALETA Y. BRIMHALL AND  
BARBARA BURNHAM FOR FORCE-POOLING, SAN  
JUAN COUNTY, NEW MEXICO

Case No. 3188

BEFORE:

DANIEL S. NUTTER

TRANSCRIPT OF HEARING

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.  
PHONE 325-1182

SANTA FE, N. M.  
PHONE 983-3971

ALBUQUERQUE, N. M.  
PHONE 243 6691

excepting therefrom a 3/39 acre tract within said west half of Section 7 owned by Barbara Burnham and Maleta Y. Brimhall as described in paragraph 1 herein. This order also specified that any owner of acreage in the west half of said Section 7 excluded from the above described non-standard units shall be permitted to bring a force-pooling application before the Commission and having their acreage included in the said gas proration unit in the Basin-Dakota Gas Pool upon reasonable terms and conditions.

3. Applicants are informed and believe that at this time the Beta Development Company is the successor in interest to Southwest Production Company, original applicant referred to above and said Beta Development Company as operator of the unit are conducting drilling operations under well designated "Nell Hall No. 1" and that these operations are draining the tract owned by applicants and described above; and said applicants their privilege under order R-1991 to force pooling therefore desire to exercise their working interest in their oil and gas mineral estate on said tract and thereby protect their interests in accordance with statute number 65-3-14, N.M.S.A., 1953 and as the same may have been amended, which among other things has as its purpose the protection of correlative rights of owners of each property in an oil and gas pool.

WHEREFORE applicants respectfully pray:

That the Commission set a date for hearing before an Examiner on this application, and that the said Commission after reviewing the evidence and being otherwise fully informed in the premises enter an order authorizing and allowing the applicants to force-pool their acreage in the Basin-Dakota Pool as described in this petition, providing that the oil and gas leasehold working interest in the mineral estate therein be established and considered a 7/8th working interest in the Non-Standard gas proration unit in the aforesaid Basin-Dakota Pool on a proportional basis in connection with all the acreage in the said unit, and that the order provide that the operator be allowed the recovery of the costs of drilling said well thereon which is attributable to the working interest of the applicants and that the Commission otherwise provide for the protection of the interests of all interested parties.

*attorneys for applicants*

*Johnston Jeffries*  
Johnston Jeffries  
P. O. Address, 310 East Chuska  
Aztec, New Mexico



MR. NUTTER: We will call Case Number 3188.

MR. DURRETT: Application of Maleta Y. Brimhall and Barbara Burnham for force-pooling, San Juan County, New Mexico.

MR. JEFFRIES: If the Commission please, Justin Jeffries, Aztec, New Mexico, appearing on behalf of the applicants. The application I believe speaks for itself, and is merely one which seeks to have our applicants avail themselves of the privilege reserved to them to force-pool their working interest of small acreage as was given them in your Order Number, I believe, R-1991, Case Number 2288, wherein the Commission granted 3.27 plus acre non-standard gas proration unit in the Basin Dakota Pool in the acreage area referred to in my application, and in the order of the Commission. I merely call attention to the fact that that was an unorthodox size section, which made it easy for the southwestern predecessor's interest to get the non-standard unit. Our acreage was not included by only three and a fraction acres, and as of the application we merely want to do what we were given the privilege to do in paragraph 4 of your Order Number R 1991 in this case--namely, to force-pool our working interest on the terms and conditions which the Commission has heretofore granted in similar instances in the past.

dearnley-meier reporting service, inc.

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

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PAGE 3

MR. NUTTER: As I understand, Order Number R-1991 on the application of Southwestern Production created a non-standard proration unit and excluded this acreage from the unit.

MR. JEFFRIES: That's right. They were not able to negotiate a lease.

MR. NUTTER: But the order provided that the acreage could be included.

MR. JEFFRIES: Yes.

MR. NUTTER: Would you read that.

MR. JEFFRIES: Paragraph 4 of Order R-1991, Case 2288 reads as follows: "That owners of any acreage in said Section 7 excluded from the above described non-standard units should be permitted to bring a force-pooling before the Commission to have their acreage include a gas unit, upon reasonable terms and conditions."

MR. NUTTER: As I understand it, Southwestern does not operate the unit at the present time?

MR. JEFFRIES: I understand Beta has succeeded as operator and owner of working interest of the whole unit, and I do have here, if the Commission desires it, a true--a photostatic copy of the deed, it isn't a true copy, under which my clients hold a base title. I offer that in evidence, if the Commission desires.



dearnley-meier reporting service, inc.

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

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PAGE 4

MR. NUTTER: We'd like that marked as an exhibit.

MR. JEFFRIES: I take it there's no one present from Beta?

MR. CHRISTY: Sim Christy of Hinkle, Bondurant & Christy, for Beta Development Company.

MR. NUTTER: Do you have anything to say regarding this case?

MR. CHRISTY: Yes, sir, we do.

MR. JEFFRIES: That's all I have at this time. I have no witnesses.

MR. DURRETT: I have a question concerning your clients. Are your clients fee owners?

MR. JEFFRIES: Yes.

MR. DURRETT: And they own acreage in joint tenancy?

MR. JEFFRIES: No, I think they are tenants in common.

MR. DURRETT: But there is no oil-gas lease?

MR. JEFFRIES: No, not on our acreage. It was excluded and they didn't enter into any lease with the company.

MR. NUTTER: Mr. Jeffries, has a well been drilled on the property and is the 3.27 acre--the non-standard unit--is it presently productive?

MR. JEFFRIES: To my understanding it is, from our information, obtained from our regional office in Aztec.

MR. NUTTER: Your clients would be working interest

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owners as well as fee owners?

MR. JEFFRIES: That's true. They would like to be considered a working interest owner proportionately in the entire unit, on the terms I assume the Commission has granted in the past, on a somewhat general formula I think they granted in another order on land also owned by one of these clients.

MR. NUTTER: In all probability your clients would be expected to pay a portion of the well costs?

MR. JEFFRIES: Yes, we would assume any relief granted in this application would be generally upon the terms granted heretofore, that they would be considered 7/8 working interest owners on a proportional basis, that they would have to pay reasonable drilling costs or we would participate as we went along, and also that the Commission has certain other formulae which they use in all these cases, giving some benefit to the operator for their development costs. I'm referring now to a similar order granted on one of these clients of mine, with her husband, on a similar matter. I'm assuming there would be sort of a general formula granted.

MR. NUTTER: What is the amount of acreage included in this tract?

MR. JEFFRIES: It's very small--I believe 3.39 acres, so it's a very small amount of acreage.

MR. NUTTER: And the previous order authorized a

327.01?

MR. JEFFRIES: I believe that's correct. They had more than 320--this was an irregular, unorthodox size section, so they had 320 acres without us.

MR. NUTTER: So presumably the total size of the unit would be 330.40 acres?

MR. JEFFRIES: I hadn't calculated, but that's probably true.

MR. NUTTER: And your clients would have 3.39--3 7/30 of the unit?

MR. JEFFRIES: I guess that would be right. It would be very small.

MR. NUTTER: Mr. Christy, would you care to state Beta's position in this matter?

MR. CHRISTY: We have a witness, when he finishes up his case.

MR. JEFFRIES: I've finished mine at this particular time.

MR. CHRISTY: We have one witness.

W. T O M C O W A N, the witness, having been duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. CHRISTY:

Q Please state your name, address, occupation and age

whom you are employed, and in what capacity.

A W. Tom Cowan; I live in Midland, Texas and am employed by Beta Development Company; my title is manager of the land.

Q I refer you to what has been marked Beta's Exhibit 1 and ask you if you will please identify it.

A It is a plat showing the west half of Section 7, colored in yellow.

Q This is the land involved in Case Number 3188?

A Yes, sir.

Q And this shows in yellow the west half of Section 7, showing also in green the 3.39 acres mentioned by Mr. Jeffries a moment ago?

A Right.

Q Who owns the working interest in the acreage in yellow?

A Beta Development owns 7/8 of it and El Paso owns the other 1/8.

Q El Paso owns the northeast and west, and you own the balance?

A Yes.

Q What kind of land is that--Federal or state land?

A El Paso is Federal, and the balance is Sec.

Q I assume you have entered into a communitization

agreement?

A Yes.

Q I hand you what has been marked Exhibit 2 and ask if you can identify that.

A That is a communitization agreement entered into by our predecessors, Southwestern Production Company, covering the land in question.

Q This covers the 327.01 acres?

A Yes.

Q And it communitizes dry gas and associated liquid underlying those lands?

A Yes.

Q Does it specifically exclude the 3.39 acres mentioned by Mr. Jeffries which he claims his clients own?

A Yes.

Q This has been approved by the U.S. Geological Service?

A Yes.

Q I'll ask if one of the royalty owners is Barbara Burnham, one of the applicants in this case.

A That is correct.

MR. CHRISTY: We would like to offer Petal's Exhibits 1 and 2.

MR. JEFFRIES: No objection.

MR. CHRISTY: We would also ask that the Commission

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receive the testimony in Order R---in Case 2288 and Order R 1991 as part of the case--part of the testimony in this case.

MR. NUTTER: Are you asking that that be incorporated in the record of this case?

MR. CHRISTY: Yes.

MR. NUTTER: The record in Case Number 2288 will be incorporated, if there is no objection.

MR. CHRISTY: That's all the questions from this witness.

MR. NUTTER: Are there any questions of Mr. Cowan? ... Mr. Christy, I'm not exactly certain what Beta's position is here.

MR. CHRISTY: It will be Beta's position, Mr. Examiner--our position is, one, that there is no evidence in this record that Mrs. Burnham and Mrs. Brimhall own the 3.9 acres. I call your attention to the fact that the deed mentioned by Mr. Jeffries has not been admitted into evidence at this point, and I will object to it being admitted into evidence, for two reasons: First, it isn't a certified copy; and, second, it does not prove ownership--it simply proves that a deed has been executed. The statute permits this Commission to force-pool when it is shown that the Burnhams and Brimhalls own acreage, quote, "embraced within a spacing or proration unit,"

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unquote. That is the purpose of introducing testimony in the prior case. The spacing on a proration unit is 327, not 330 acres, and you don't have jurisdiction to force-pool an outside 3.39 acres, because the spacing unit is 327.

Next, it would have to be proved into the record that the parties were unable to agree. There is no proof in the record that the parties are unable to agree. The jurisdiction of this Commission does not attach until the parties cannot agree, by statute.

Fourth, it would have to be proved that it was necessary to force-pool in order to protect correlative rights or prevent waste. There is no proof in the record that correlative rights would be violated or waste prevented.

Fifth, the proof in this record is that El Paso owns an interest in the well and the communitized area. You would have to give El Paso reasonable notice, above and beyond your publication, because you're going to take away from it an interest in that well. That is a property right which you cannot take away from them by publication when you have a better means of notice.

Sixth, you would have to show the terms and conditions under which the force-pooling order could be entered, and there is no testimony in the record as to the terms and conditions.

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Next, you would have to show that the Burnhams and Brimhalls are entitled to their fair and just share of production out of this well. There is no proof as to what that would be. There may be a fault lying across this thing--I don't know what the story is; there's no testimony to that in the record.

Next, the Commission shall make definite provisions with respect to well costs, and so forth. There is no testimony as to well costs, operating expense, risk factor--there's just no testimony here on which this Commission can base a pooling order. It does not have jurisdiction and does not have testimony upon which to base a valid order.

MR. NUTTER: In the record is there incorporated anything as to well cost and operating costs?

MR. CHRISTY: Not that I know of. I read the case file and didn't find anything. I might also add one thing: The prior case does mention the right of other owners to file an application for force-pooling. Number 1, it wasn't published for that fact; it was published for non-standard proration unit, so the publication is faulty. Number 2, that right is granted by statute, and is superfluous in the prior order. If you can prove the facts of the statute you've got the right, no matter what the Commission said.

MR. NUTTER: Do you have anything to say, Mr.



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Jeffries?

MR. JEFFRIES: No, other than that I had hardly anticipated that in this small matter I would be faced with the barrage of highly technical objections Beta has made to this application. I would submit that, as far as ownership is concerned, if it's necessary we will furnish certifications of the fact that they do own the land--I don't think a photostatic copy of the deed can be taken as being a true copy. They do own the land--I think that's a highly technical objection. As to all the other objections--I don't know that I caught them all, because Mr. Christy went rather fast--I felt that the order formerly entered by the Commission--I thought they had jurisdiction to enter that order. I'm not clear as to whether he's attacking the Commission's Order R-1991 or faulty publication. With respect to what action the Commission might take here, the Commission has to be its own judge of its jurisdiction. I think it is obvious that the parties didn't agree, or we wouldn't have brought the application. And as far as El Paso is concerned, it seems to me that if El Paso wanted to appear, they would have a representative here, and I assume Mr. Christy is not representing El Paso--

MR. CHRISTY: I am not representing El Paso.

MR. NUTTER: I think El Paso had notice of this.

MR. JEFFRIES: Well costs are available at the office in Aztec. I think the Commission in cases of this kind has that information at its disposal. We could hardly be expected in a small matter of this type to get those things--I was advised by Mr. Durrett that I would not have to have any witnesses.

MR. NUTTER: Mr. Cowan, are you acquainted with well costs for completion of the well?

A Yes, sir, indirectly.

Q The well has been drilled and completed, and is on production?

A Yes.

Q And it was drilled by Southwestern?

A Southwestern Production Company, yes.

Q And the files that Southwestern accrued on the well have been transferred to Beta?

A Yes, sir.

Q Are you acquainted with the operating costs for operating the well?

A Yes, sir--again, indirectly. That is not my department and I couldn't actually, I don't think I would be qualified to give the exact operating costs.

Q You could furnish the Commission with costs of drilling and completing the well, and also the cost of operating it, could you not?

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A Yes, sir.

MR. NUTTER: Mr. Cowan, I would appreciate it if you would furnish the Commission with a tabulation of the well costs for drilling and completion of the well, and also the monthly operating cost. Mr. Jeffries, I would appreciate receiving a certified copy of this warranty deed.

MR. JEFFRIES: Do you want me to take the same deed and have it certified, or get another deed?

MR. NUTTER: We'll keep this one.

MR. JEFFRIES: All right--I'll get the book and page number, sir.

MR. NUTTER: Page 176 of Book 159--it was recorded June 9, 1951.

MR. JEFFRIES: We would, of course, move at the proper time that it be admitted in evidence.

MR. NUTTER: This exhibit, Applicant's Exhibit 1 in Case Number 3188, will be admitted into evidence, pending receipt of a certified copy of the same. And Mr. Christy, you have two exhibits. Are you going to offer these?

MR. CHRISTY: Yes, sir, we will. At this time we would offer into evidence Beta's Exhibits 1 and 2.

MR. NUTTER: Beta's Exhibits 1 and 2 are admitted into evidence. Does either of you have anything further in this case?

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MR. CHRISTY: I might mention one thing further.

On the question of whether or not the Commission has jurisdiction, there is another problem. If you're going to permit this to be force-pooled you'll have 330 acres on which production is being divided. The allowable production is based on 327. We cannot increase the allowable to 330, because we're under an order not to. You're going to thereby invade the interest of the Federal Government, Beta, El Paso, and the other royalty owners, and you violate their correlative rights when you do that, and we say you don't have jurisdiction to do that.

MR. NUTTER: Why couldn't the allowable be raised to 330?

MR. CHRISTY: Because we're under an order in the other case not to. The non-standard proration unit is 327, and you've got to open that case back up and establish a 330 before you can ever have a force-pooling hearing. By statute you don't have the jurisdiction.

MR. NUTTER: Is there anything further in Case Number 3188? We will take the case under advisement, and call Case Number 3189.

\* \* \*

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STATE OF NEW MEXICO )  
COUNTY OF BERNALILLO ) ss

I, Elizabeth K. Hale, Notary Public and Court Reporter,  
do hereby certify that the proceedings in Case Number 3188  
were taken and transcribed by me, and that the foregoing is a  
true and accurate transcript of proceedings to the best of my  
knowledge, skill and ability.

IN WITNESS WHEREOF, my hand and seal of office this 14th  
day of January, 1965.

*Elizabeth K. Hale*  
Notary Public

My commission expires  
May 23, 1968.

I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the Examiner hearing of Case No. 3188  
heard by me on 1-6, 1965.

*John A. ...*, Examiner  
New Mexico Oil Conservation Commission

BEFORE THE OIL AND GAS CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR THE  
PURPOSE OF CONSIDERING:

CASE NO. 347

APPLICATION OF MALETA Y. BRIMHALL AND  
BARBARA BURNHAM FOR AN ORDER FORCE-  
POOLING CERTAIN ACREAGE IN THE BASIN  
DAKOTA GAS POOL, SAN JUAN COUNTY,  
NEW MEXICO.

APPLICATION

Johnston Jeffries, attorney for Maleta Y. Brimhall and Barbara  
Burnham, hereinafter referred to as applicants, files this application for  
and on their behalf as follows:

1. Applicants are the owners in fee simple of the following described  
real estate, including the oil, gas and mineral estate, situated in San Juan  
County, New Mexico:

Beginning at a point where the S line of Highway No. 550 intersects  
the E line of the NE $\frac{1}{4}$ SW $\frac{1}{4}$  of Sec. 7, Twp. 30 N., R. 11W., N.M.P.M.;  
thence S 392 feet, more or less, to the N side of public road  
(old Farmington-Aztec Highway); thence Westerly along the N side  
of said road 787 feet; thence N 520 feet, more or less, to S line  
of said Highway No. 550; thence Easterly along S line of said  
Highway 652 feet, more or less, to the point of beginning, together  
with all and singular the water and water rights thereto belonging  
or in anywise appertaining. EXCEPTING THEREFROM the following  
described tract, to-wit: Beginning at a point where the N line of  
the public road (old Farmington-Aztec Highway) crosses the E line  
of said NE $\frac{1}{4}$ SW $\frac{1}{4}$ ; thence running N on said line 150 feet; thence in  
a Southwesterly direction parallel with said public road 450 feet;  
thence S 150 feet to the N side of said public road; thence Northeast-  
erly along the N side of said public road to the point of beginning.  
ALSO EXCEPTING THEREFROM the following described tract, to-wit:  
Beginning at a point on the S line of Highway No. 550 which is 492  
feet Southwesterly of a point where the S line of said Highway No.  
550 intersects the E line of the NE $\frac{1}{4}$ SW $\frac{1}{4}$  of Sec. 7, Twp. 30 N.,  
R. 11 W., N.M.P.M., thence continuing Southwesterly along the S  
line of said Highway No. 550 160 feet, thence S 520 feet, more or  
less to a point on the N line of the public road (old Farmington-  
Aztec Highway), thence Northwesterly along the N line of said  
public road (old Farmington-Aztec Highway) to a point South of the  
point of beginning, thence N to the point of beginning.

2. Order No. R-1991, case No. 2286 entered by the New Mexico Oil  
conservation Commission June 8, 1961 upon application of Southwest Produc-  
tion Company established a 327.91 acre non-standard gas proration unit in  
the Basin-Dakota Gas Pool, San Juan County, New Mexico consisting of all  
of the west half of Section 7, Township 30 North, Range 11 West, N.M.P.M.