

LAW OFFICES

J. M. HERVEY 1874-1953

HIRAM M. DOW  
CLARENCE E. HINKLE  
W. E. BONDURANT, JR.  
GEORGE H. HUNKER, JR.

WILLIAM C. SCHAUER  
HOWARD C. BRATTON  
S. B. CHRISTY IV

HERVEY, DOW & HINKLE

FIRST NATIONAL BANK BUILDING

ROSWELL, NEW MEXICO

October 26, 1954

TELEPHONE 2160  
L. D. 3

Mr. W. B. Macey  
Executive Secretary  
New Mexico Oil Conservation Commission  
Santa Fe, New Mexico

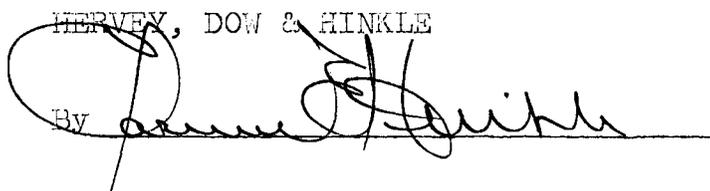
Dear Mr. Macey:

We enclose herewith in triplicate application of L. E. Elliott for an exception to Rule 5(a) of Order No. R-520 for the purpose of forming a non-standard gas proration unit in the Eumont Gas Pool consisting of the  $W\frac{1}{2}NE\frac{1}{4}$ ,  $N\frac{1}{2}SE\frac{1}{4}$  Section 26, T. 20 S., R. 36 E., N.M.P.M. You will note that waivers have been obtained from adjoining lease owners in the section and that a communitization agreement has been entered into providing for the communitization of this acreage.

The  $W\frac{1}{2}NE\frac{1}{4}$  of 26 is state land and the  $N\frac{1}{2}SE\frac{1}{4}$  of 26 is federal land. An executed copy of the communitization agreement is also enclosed herewith and you will notice that it has been approved by the Commissioner of Public Lands and has been filed for approval of the Director of the U.S.G.S. and the local supervisor has recommended approval.

Yours very truly,

HERVEY, DOW & HINKLE

By 

CEH:mp

Encl.

cc - L. E. Elliott

Box 703

Roswell, New Mexico

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

Mr. W. B. Macey  
Executive Secretary  
New Mexico Oil Conservation Commission  
Santa Fe, New Mexico

APPLICATION FOR APPROVAL OF NON-STANDARD  
GAS PRORATION UNIT IN THE EUMONT GAS POOL  
UNDER RULE 5 (b)

Comes the undersigned, L. E. Elliott, also known as Lawrence E. Elliott, of Roswell, New Mexico, and hereby makes application for an exception to Rule 5(a) of Order No. R-520 of the New Mexico Oil Conservation Commission providing special rules and regulations for the Eumont Gas Pool for the purpose of forming a non-standard gas proration unit consisting of the  $W\frac{1}{2}NE\frac{1}{4}$ ,  $N\frac{1}{2}SE\frac{1}{4}$  Section 26, T. 20 S., R. 36 E., N.M.P.M., in connection with the Federal Elliott No. 2 gas well located 2310 feet from the south line and 1650 feet from the east line of said Section 26; and in support thereof respectfully shows:

1. That the Federal Elliott No. 2 well hereinabove referred to was completed as a gas well on June 24, 1954, prior to the effective date of Order No. R-520 of the Commission.

2. That the  $W\frac{1}{2}NE\frac{1}{4}$  of Section 26, T. 20 S., R. 36 E., N.M.P.M., is embraced in State Oil and Gas Lease bearing No. B 2149 dated September 21, 1933, and Applicant is the record title holder thereof.

That the  $N\frac{1}{2}SE\frac{1}{4}$  of said Section 26 is embraced in Federal lease Las Cruces serial number 045764 dated February 23, 1933, and Applicant is also the record title holder thereof. That the Federal lease covering the  $N\frac{1}{2}SE\frac{1}{4}$  of said Section 26 is subject to an overriding royalty equal to  $3\frac{3}{4}\%$  of the market value at the wells as produced of all of the oil and gas which may be produced, saved and marketed from said 30-acre legal subdivision and that said overriding royalty is owned by Clarence E. Hinkle, New Mexico Trustee for the Estate of Allie M. Lee, deceased.

3. That the record title owner of said oil and gas leases and of said overriding royalty has entered into a communitization agreement for the purpose of establishing a non-standard gas proration unit con-

sisting of the  $W\frac{1}{2}NE\frac{1}{4}$ ,  $N\frac{1}{2}SE\frac{1}{4}$  of said Section 26, which said communitization agreement has been approved by the Commissioner of Public Lands of the State of New Mexico and by the United States Geological Survey, as will more particularly appear by the executed copy of said communitization agreement filed herewith and by reference made a part hereof.

4. That there is attached hereto, made a part hereof and for purposes of identification marked Exhibit A, a plat of Section 26, T. 20 S., R. 36 E., N.M.P.M., showing the location of Federal Elliott No. 2 gas well and the acreage proposed to be allocated thereto as the non-standard gas proration unit and also the ownership of the oil and gas leases contiguous thereto within said section. That the oil and gas lease covering the  $E\frac{1}{2}NE\frac{1}{4}$  of said section is owned by the Phillips Petroleum Company; that the oil and gas lease covering the  $S\frac{1}{2}SE\frac{1}{4}$  of said section 26 is owned by the Humble Oil & Refining Company; and the oil and gas lease or leases covering the  $W\frac{1}{2}$  of said Section 26 are owned by the Amerada Petroleum Corporation.

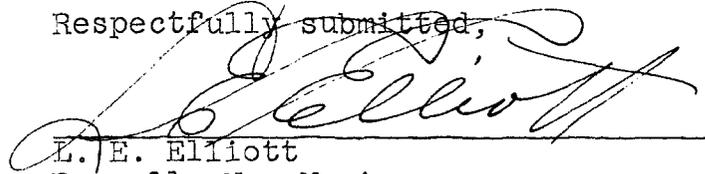
That there is attached hereto, made a part hereof and for purposes of identification marked Exhibits B, C, and D respectively, waivers in the forms of letters from the Phillips Petroleum Company, Humble Oil & Refining Company and Amerada Petroleum Corporation, consenting to the approval of the  $W\frac{1}{2}NE\frac{1}{4}$ ,  $N\frac{1}{2}SE\frac{1}{4}$  of said Section 26 as a non-standard gas proration unit in connection with the Federal Elliott No. 2 well.

5. That the proposed non-standard gas proration unit consists of contiguous quarter sections and lies wholly within a single governmental section. That the entire non-standard gas proration unit may reasonably be presumed to be productive of gas by reason of the completion of other gas wells in the immediate vicinity of the proposed non-standard unit, as will more particularly appear by the records of the New Mexico Oil Conservation Commission, including the gas well of the Continental Oil Company located in the  $SW\frac{1}{4}SE\frac{1}{4}$  of Section 23, T. 20 S., R. 36 E., N.M.P.M., which adjoins the proposed non-standard unit on the north, and the Phillips No. 2 gas well located in the

SE $\frac{1}{4}$ NE $\frac{1}{4}$  of said Section 26, which is contiguous to a part of the acreage in the proposed non-standard unit.

That the length or width of the proposed non-standard gas proration unit does not exceed 520 feet.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "E. E. Elliott", written over a horizontal line.

E. E. Elliott  
Roswell, New Mexico

Section 26 Township 20S Range 36E County Lea State New Mexico

		<p>Elliott</p> <p>GOR 40140</p> <p>St. H</p>	<p>Phillips Petroleum Company</p>
		<p>GOR 43200</p> <p>St. H</p>	<p>7</p>
	Amerada Petroleum Corporation	<p>Federal Elliott #2</p> <p>St. H</p>	<p>GOR 43200</p>
			<p>Humble Oil &amp; Refining Company</p>

EXHIBIT A

# PHILLIPS PETROLEUM COMPANY

BARTLESVILLE, OKLAHOMA

NATURAL GAS DEPARTMENT

A. M. RIPPEL, MANAGER  
R. B. STEWART, ASS'T. MANAGER  
DAN L. MAYER, GENERAL SUPT.  
ALLEN B. HIATT, TECHNICAL ADVISOR  
E. D. McELVAIN, COORDINATOR

October 11, 1954

Section 26, T 20S, R 36E,  
Lea County, New Mexico

File: 2-Cu-239-54-NG

Mr. W. B. Macy  
New Mexico Oil Conservation Commission  
Santa Fe, New Mexico

Dear Sir:

We have been advised that Mr. L. E. Elliott desires to establish the W/2 NE/4 and N/2 SE/4 of Section 26, T 20S, R 36E, as a gas proration unit for his Elliott No. 2.

This is to advise that we have no objection to the formation of this acreage as a gas proration unit in the Eumont Pool.

Very truly yours,



M. H. Cullender

MHC:smc

cc: Mr. Lawrence E. Elliott  
Box 703  
Roswell, New Mexico

# HUMBLE OIL & REFINING COMPANY

MIDLAND, TEXAS

September 16, 1954

J. W. HOUSE

Lawrence E. Elliott  
Box 703  
Roswell, New Mexico

Dear Sir:

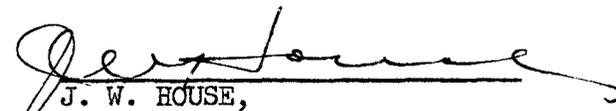
Please refer to your letter of September 10, 1954, regarding the application you plan to file with the New Mexico Oil & Gas Conservation Commission for approval of non-standard gas proration unit for your Federal Elliott Well No. 2, Section 26, T-20-S, R-36-E, Eumont Pool, Lea County, New Mexico.

It is our understanding that the 160-acre unit will consist of the N/2 of SE/4 and the W/2 of the NE/4 of Section 26, T-20-S, R-36-E, Lea County, New Mexico, that this unit will be created by pooling eighty acres of your Federal Elliott Lease with eighty acres of your Schafer State Lease and that both the Federal and State have agreed to this pooling.

If we have correctly stated your intentions, then we have no objections to the New Mexico Conservation Commission approving the non-standard gas proration unit.

Yours very truly,

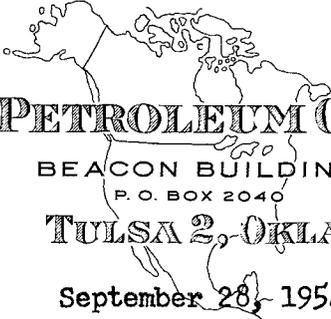
HUMBLE OIL & REFINING COMPANY

  
J. W. HOUSE,  
Division Superintendent

AJT/se

Exhibit C

GENERAL OFFICES  
120 BROADWAY NEW YORK



AMERADA PETROLEUM CORPORATION

BEACON BUILDING  
P. O. BOX 2040

TULSA 2, OKLA.

September 28, 1954

New Mexico Oil Conservation Commission  
Box 871  
Santa Fe, New Mexico

Attention: Mr. W. B. Macey

Gentlemen:

We have been advised that L. E. Elliott intends to request approval of a non-standard 160-acre gas proration within the Eumont Gas Pool, to be allocated to his Federal Elliott No. 2 Well, located 2310' FSL and 1650' FEL of Section 26, Township 20 South, Range 36 East, N.M.P.M., Lea County, New Mexico. We understand that it is requested that such non-standard unit consists of the lands described as the W/2 NE/4 and the N/2 of the SE/4 of Section 26, Township 20 South, Range 36 East, N.M.P.M., Lea County, New Mexico.

You are respectfully advised that we hereby waive notice and hearing under Paragraph 5 of Rule 5 (b), N.M.O.C.C. Order R-520 A as to said application for approval of said above described non-standard gas proration unit.

Yours very truly,

*R. S. Christie*  
R. S. Christie

RSC/mh

Exhibit D



IN REPLY REFER TO:

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

P. O. Box 6721  
Roswell, New Mexico

December 6, 1955

Mr. L. E. Elliott  
P. O. Box 703  
Roswell, New Mexico

Dear Mr. Elliott:

Returned herewith are the original and four copies of a communitization agreement dated September 7, 1954, covering the N $\frac{1}{2}$ SE $\frac{1}{4}$  sec. 26, included in lease Las Cruces 045764, and the W $\frac{1}{2}$ NE $\frac{1}{4}$  sec. 26, included in State of New Mexico lease B-2149, all in T. 20 S., R. 36 E., N.M.P.M., Lea County, New Mexico.

It is the opinion of this office that much of the gas in the communitized formations underlying the W $\frac{1}{2}$ NE $\frac{1}{4}$  sec. 26 is being produced by your wells Nos. 1 and 2 State, which are not classed as gas wells and the gas they produce will not be allocated under the agreement. Accordingly, the State tract will not contribute its fair share of the gas to be produced from your Federal well No. 2 and we cannot recommend approval of the agreement.

Very truly yours,

(Orig. Sgd.) JOHN A. ANDERSON

JOHN A. ANDERSON  
Regional Oil & Gas Supervisor

Enclosures 5

Copy to: Mr. Clarence Hinkle  
First National Bank Bldg.  
Roswell, N. M.

Oil Conservation Commission-Santa Fe ✓



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

P. O. Box 6721  
Roswell, New Mexico

May 20, 1955

Mr. L. E. Elliott  
P. O. Box 703  
Roswell, New Mexico

Dear Mr. Elliott:

Reference is made to the communitization agreement dated September 7, 1954, submitted to this office in quadruplicate, covering the N $\frac{1}{2}$ SE $\frac{1}{4}$  sec. 26, included in lease Las Cruces 045764 and the W $\frac{1}{2}$ NE $\frac{1}{4}$  sec. 26, included in State of New Mexico lease B-2149, all in T. 20 S., R. 36 E., N.M.P.M., Lea County, New Mexico. By administrative order NSP-30 dated October 28, 1954, the Oil Conservation Commission authorized the above described acreage to be included in a 160-acre non-standard gas proration unit ascribed to your Federal Elliott No. 2 well in the NW $\frac{1}{4}$ SE $\frac{1}{4}$  sec. 26.

Information available to this office indicates that your wells Nos. 1 and 2 State in the W $\frac{1}{2}$ NE $\frac{1}{4}$  sec. 26 are classed as oil wells and that well No. 2 on Las Cruces 045764 completed in the same formation is classed as a gas well. Inasmuch as all three wells appear to have the same zone open to production, the question arises as to whether the W $\frac{1}{2}$ NE $\frac{1}{4}$  sec. 26 is contributing gas to your well No. 2 in the NW $\frac{1}{4}$ SE $\frac{1}{4}$  sec. 26 in an amount that would justify the allocation of the gas produced from well No. 2 to the State lands included in the communitization agreement.

In the absence of an acceptable showing by you that the W $\frac{1}{2}$ NE $\frac{1}{4}$  sec. 26 is contributing its fair share of the gas produced from your Federal well No. 2 and, in addition, an acceptable showing as to why the S $\frac{1}{2}$ SE $\frac{1}{4}$  sec. 26 should not be communitized with the N $\frac{1}{2}$ SE $\frac{1}{4}$  sec. 26, we will be unable to recommend approval of the communitization agreement submitted by you. It is requested that such showings be submitted to this office, in triplicate, within 30 days from the date of this letter.

Very truly yours,

(Orig. 8cd) JOHN A. ANDERSON

Copy to: Mr. Clarence Hinkle  
First National Bank Bldg.  
Roswell, N. M.

JOHN A. ANDERSON  
Regional Oil and Gas Supervisor

OCC-Santa Fe ✓

COMMUNITIZATION AGREEMENT

RECORDS & LAND OFFICE  
NOT 19  
2 43 PM '54

THIS AGREEMENT, made and entered into as of the 7th day of September, 1954, by and between the parties subscribing, ratifying or consenting hereto, such parties being hereinafter referred to as "parties hereto";

WITNESSETH:

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 Commissioner of Public Lands of the State of New Mexico is authorized by law to consent to and approve communitization or pooling agreements for the purpose of pooling separate tracts to form spacing or proration units in conformity with the rules and regulations of the New Mexico Oil Conservation Commission; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests or operating rights under the oil and gas leases covering the lands hereinafter described, which said interests are more particularly described on the schedule attached hereto, made a part hereof and for purposes of identification marked Exhibit A; and

WHEREAS, the lands hereinafter described are situated in the Eumont gas pool and under the rules of the New Mexico Oil Conservation Commission providing for the proration of gas produced from the said pool, a standard proration unit consists of between 632 and 648 contiguous surface acres contained in each legal subdivision (section) and provision is made for establishing non-standard gas proration units for the purpose of allocating gas in accordance with said rules

and regulations where less than a legal section is involved, and the parties hereto are desirous of forming such non-standard gas proration unit in accordance with the applicable rules and regulations of the New Mexico Oil Conservation Commission.

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

1. The following described land situated in Lea County, New Mexico, hereinafter referred to as the "communitized area", shall be the lands covered by this agreement, to-wit:

W $\frac{1}{2}$ NE $\frac{1}{4}$ , N $\frac{1}{2}$ SE $\frac{1}{4}$  Section 26, T. 20 S., R. 36 E., N.M.P.M.,  
containing 160 acres, more or less.

2. This agreement shall only extend to and include the dry gas and associated liquid hydrocarbons produced from the top of the Yates formation to the base of the Queen formation underlying said lands, which are hereinafter referred to as "communitized substances".

3. That L. E. Elliott of Roswell, New Mexico, is hereby designated as the Operator of the communitized area for the purpose of operating and developing the same in accordance with the terms of this agreement.

4. All matters of operation shall be under the exclusive control and governed by the Operator in accordance with the terms of this agreement.

5. The communitized area shall be developed and operated as an entirety and all communitized substances produced therefrom shall be allocated among the lease holds comprising said area in the proportion that the acreage interest of each leasehold committed hereto bears to the entire leasehold interest on an acreage basis committed to this agreement.

6. The royalties payable under the respective leasehold interests committed to this agreement and overriding royalties or obligations payable out of production, if any, shall be paid out of the communitized substances allocated to the respective leasehold interests as provided in the preceding section 5.

7. Except as expressly modified by this agreement, said leases shall remain in full force and effect according to their terms and conditions, and nothing herein contained shall modify the provisions of said leases with respect to the payment of rentals and royalties as therein provided.

8. There shall be no obligation of the operator or of the owners of the respective leasehold interests committed to this agreement to offset any dry gas well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall the respective lease owners be required to measure separately communitized substances by reason of the diverse ownership thereof, but nothing herein contained shall modify the obligations of said lease owners to protect the communitized area from drainage of communitized substances by 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 of the leasehold interests committed to this agreement and comprising the communitized area, and operations or production pursuant to this agreement shall be deemed to be operations upon and production from each leasehold interest 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 State statutes. This agreement shall be subject to all applicable laws, 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 all of the necessary parties hereto and shall remain in full force and effect for a period of two years and so long thereafter as communitized substances are capable of being produced from the communitized area.

12. The covenants hereof shall be considered as covenants running with the ownership of the respective leasehold interests committed hereto and shall extend to the heirs, personal representatives, successors and assigns of the parties hereto.

13. 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 a counterpart, ratification or consent hereto, with the same full force and effect as if all parties had signed the same instrument.

14. The parties hereto agree, in the operations hereunder, not to discriminate against any employee or applicant for employment because of race, creed, color or national origin, and that Operator shall require an identical provision to be included in all sub-contracts.

OK  
E.E.  
E.M.E.

By [Signature]  
Trust Officer  
Trustee of the Estate of Allie  
M. Lee, deceased  
STATE OF NEW MEXICO }  
COUNTY OF CHAVES } ss

[Signature]  
New Mexico Trustee for the Estate of  
Allie M. Lee, deceased

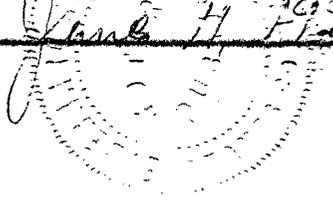
On this the 7th day of September, 1954, before me personally appeared L. E. Elliott and wife, Edna M. Elliott, to me personally known to be the persons described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

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

[Signature]  
Notary Public

My Commission Expires:

June 11 1958



STATE OF NEW MEXICO }  
COUNTY OF CHAVES } ss

On this the 31st day of August, 1954, before me personally appeared Clarence E. Hinkle, to me personally known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as his free act and deed, and in the capacity therein stated.

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

*Georgia J. Dippus*  
\_\_\_\_\_  
Notary Public

My Commission Expires:

May 10 1958

EXHIBIT A

LAND OFFICE  
OCT 19 2 40 PM '51  
SANTA FE

DESCRIPTION OF OIL AND GAS LEASES AND ROYALTY INTERESTS  
SUBJECT TO COMMUNITIZATION AGREEMENT COVERING THE W $\frac{1}{2}$ NE $\frac{1}{4}$ ,  
N $\frac{1}{2}$ SE $\frac{1}{4}$  SECTION 26, T. 20 S., R. 36 E., N.M.P.M., Lea  
County, New Mexico

1. STATE LEASE - Oil & Gas Lease dated September 21, 1933, bearing No. B-2149, made and entered into by and between the Commissioner of Public Lands of the State of New Mexico as Lessor, and Harry J. Schafer, covering W $\frac{1}{2}$ NE $\frac{1}{4}$  Section 26, T. 20 S., R. 36 E., N.M.P.M., containing 80 acres, more or less. Record title to lease - L. E. Elliott.

2. FEDERAL LEASE - Oil & Gas Lease dated February 23, 1938, bearing Las Cruces serial number 045764, made and entered into by and between the United States, acting by and through the Secretary of the Interior, and Lawrence E. Elliott, also known as L. E. Elliott, embracing N $\frac{1}{2}$ SE $\frac{1}{4}$  Section 26, T. 20 S., R. 36 E., N.M.P.M., containing 80 acres, more or less. Record title to lease - Lawrence E. Elliott.

3. OVERRIDING ROYALTY INTEREST - An overriding royalty equal to 3  $\frac{3}{4}$ % of the market value at the wells as produced of all oil and gas which may be produced, saved and marketed from the N $\frac{1}{2}$ SE $\frac{1}{4}$  Section 26, T. 20 S., R. 36 E., N.M.P.M., containing 80 acres, more or less, under the terms of the oil and gas lease hereinabove described and any extensions or renewals thereof. Record title of overriding royalty - Clarence E. Hinkle, New Mexico Trustee for the Estate of Allie M. Lee, deceased.

*Received*  
PUBLIC LAND OFFICE  
OCT 19 2 44 PM '54  
SANTA FE, N.M.

CERTIFICATE OF APPROVAL BY  
COMMISSIONER OF PUBLIC LANDS  
OF THE STATE OF NEW MEXICO  
OF COMMUNITIZATION AGREEMENT COVERING  
W $\frac{1}{2}$ NE $\frac{1}{4}$ , N $\frac{1}{2}$ SE $\frac{1}{4}$  Sec. 26, T. 20 S., R. 36 E.,  
N.M.P.M., Lea County, New Mexico

That I, E. S. Walker, Commissioner of Public Lands of the State of New Mexico, certify that the foregoing Communitization Agreement was filed in my office on the \_\_\_\_\_ day of \_\_\_\_\_, 1954, and I have carefully considered the same and find (a) that said agreement is necessary in order to form a drilling, spacing or pro-ration unit or portion thereof under the rules and regulations of the New Mexico Oil Conservation Commission; (b) That under the operations proposed, the State will receive its fair share of the recoverable oil or gas in place under its land in the area affected; (c) That the agreement is in other respects for the best interest of the State.

NOW THEREFORE, by virtue of the authority conferred upon me by the Laws of the State of New Mexico, I, the undersigned Commissioner of Public Lands of the State of New Mexico, do hereby consent to and approve the above referred to Communitization Agreement and the oil and gas leases embracing lands of the State of New Mexico committed to said agreement shall be and the same are hereby amended so that the provisions thereof will conform to the provisions of said Communitization Agreement and so that the terms of said leases will conform with the provisions of said agreement.

IN WITNESS WHEREOF, this certificate of approval is executed as of this the \_\_\_\_\_ day of \_\_\_\_\_, 1954.

  
\_\_\_\_\_  
Commissioner of Public Lands of the State  
of New Mexico

APPROVAL - CERTIFICATION - DETERMINATION

RECEIVED  
LAND OFFICE  
OCT 19 2 44 PM '51

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 Departmental Order No. 2365 of October 8, 1947, 43 C.F.R. sec. 4.618, 12 F.R. 6784, I do hereby:

- A. Approve the attached Communitization Agreement covering the  $W\frac{1}{2}NE\frac{1}{4}$ ,  $N\frac{1}{2}SE\frac{1}{4}$  Section 26, T. 20 S., R. 36 E., N.M.P.M., Lea County, New Mexico, as to dry gas and associated liquid hydrocarbons producible from the Yates and Queen formations.
- B. Determine that the Federal lease as to the lands committed to the attached agreement cannot be independently operated and developed in conformity with the well-spacing program established for the field or area in which said land is located, and that communitization 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 committed to said agreement are hereby established, altered, changed or revoked to conform with the terms and conditions of the agreement.

Dated \_\_\_\_\_.

\_\_\_\_\_  
Director  
United States Geological Survey

Contract No. \_\_\_\_\_

MAIN OFFICE OCC

1956 MAY 23 AM 3:15

NSP-30

May 23, 1956

In reply refer to:  
Unit Division

Elliott, Inc.  
Box 703  
Roswell, New Mexico

Re: Elliott Federal No. 2 "J"  
Communitization -  
Section 26-20S-36E,  
State Lease B-2149-2

Gentlemen:

As of April 11, 1956, the above designated Communitization was approved by the Commissioner of Public Lands, however, this approval was naturally subject to like approval by the United States Geological Survey.

As of this date, we have not received notification from you or the U.S.G.S. that they have concurred, and this Communitization will not be effective until we are notified.

Will you please give this your immediate attention.

Very truly yours,

E. S. WALKER  
Commissioner of Public Lands

MMR/m

cc: USGS-Roswell  
OCC-Santa Fe

NEW CONDE 030

APR 11 1956

April 11, 1956

In reply refer to:  
Unit Division

Elliott, Inc.  
Box 703  
Roswell, New Mexico

Re: Elliott Federal No. 2  
Communitization -  
Sec. 26-20S-36E,  
State Lease B-2149

Attention: Mr. Frank O. Elliott  
Vice President

Gentlemen:

We are enclosing the original and six copies of the above designated Communitization, which was approved by the Commissioner of Public Lands as of April 11, 1956.

The apparent delay in processing this Communitization was caused by the fact that it was mailed to the Oil Conservation Commission instead of to this office and was not received in this office until April 9.

You stated in our telephone conversation that the State's share of royalty, which has been accumulating since the date you received your allowable on this 160 acres, is being held in suspense.

We trust our filing fee in the amount of five dollars (\$5.00) will be mailed at your earliest convenience.

Very truly yours,

E. S. WALKER  
Commissioner of Public Lands

MMR/m  
enc: 7  
cc: OCC-Santa Fe; USGS-Roswell