

Case No.

34

Application, Transcript,
Small Exhibits, Etc.

OIL CONSERVATION COMM.
SANTA FE, NEW MEXICO

P. O. Box 871

September 23, 1942

C
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Honorable Glenn Staley
Proration Office
Hobbs, New Mexico

Re: Case No. 36 - Notice for Publication

My dear Glenn:

Attached is Notice for Publication in the above
captioned matter.

Very truly yours,

Carl B. Livingston
Chief Clerk & Legal Advisor

CEL:MS

SOIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

P. O. Box 871

September 23, 1942

C
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The Santa Fe New Mexican
Santa Fe, New Mexico

Hobbs Daily News Sun
Hobbs, New Mexico

Gentlemen:

Re: Case No. 36 - Notice for Publication

Please publish the enclosed notice once, immediately.
Please proof read the notice carefully and send a copy of the
paper carrying such notice.

UPON COMPLETION OF THE PUBLICATION, PLEASE SEND
PUBLISHER'S AFFIDAVIT.

For payment please submit statement in duplicate
accompanied by voucher executed in duplicate. The vouchers
must be signed by a notary in the space provided on the back
of the voucher. The necessary voucher blanks are enclosed.

Very truly yours,

Carl B. Livingston
Chief Clerk & Legal Advisor

CNL:MS

OIL CONSERVATION COMMISSIC

SANTA FE, NEW MEXICO

P. O. Box 871

September 17, 1942

C
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Mr. J. S. Noland
Barnsdall Oil Company
Tulsa, Oklahoma

Re: Cases 36 & 37

Dear Jim:

Replying to your letter of September 14, the petitions in both cases are rather lengthy but for your purpose I think an extract from Case No. 36 will determine whether your Company has any interest. That extract sets out the cooperative area:

"That the cooperative area subject to the repressuring agreement hereinabove referred to consists of Sections 14 to 23, inclusive, and Sections 26 to 35, inclusive, in Twp. 17 S. Rge. 32E., N.M.P.M., Lea County, New Mexico."

The lands actually committed, however, to said agreement by the parties to the agreement referred to in the petition are somewhat less.

As to Case No. 37, enclosed is a copy of the petition.

Very truly yours,

Carl B. Livingston
Chief Clerk & Legal Advisor

CEL:MS

24
/ 3
102
34
442
26570

BARNSDALL OIL COMPANY

PETROLEUM BUILDING

TULSA, OKLA.

September 14, 1942



Mr. John M. Kelly, Secretary
Oil Conservation Commission
State of New Mexico
Santa Fe, New Mexico

Dear Sir:

I am in receipt of a mimeographed letter from the Lea County Operators Committee advising that hearings will be held in Cases No. 36 and 37 before the Conservation Commission of New Mexico on September 25th 1942.

It would be appreciated if you would send me copies of the petitions in these two cases so that I can ascertain from them whether they affect any of Barnsdall's properties.

It would also be appreciated if you would do this as soon as conveniently possible so that if they do affect the Barnsdall's properties I can make reservations at the hotel and prepare to attend the hearings.

Yours very truly,


J. S. Noland

JSN:blm

OIL CONSERVATION COMMISSIC

SANTA FE, NEW MEXICO

BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION

In Re: Petition of the New Mexico Oil & Gas
Association for an order fixing the
boundaries of the various fields in
Eddy and Lea Counties with certain
changes.

1. Comes now the New Mexico Oil and Gas Association and
petitions the New Mexico Oil Conservation Commission for an order fixing
the boundaries of the various fields within Eddy and Lea Counties with
certain changes as set out in Exhibit "A" hereto attached and made a
part hereof.

2. Your petitioner further petitions the New Mexico Oil Con-
servation Commission to set the hearing upon this petition at an early
practicable date.

Respectfully submitted on this August 28, 1942.

NEW MEXICO OIL & GAS ASSOCIATION

BY

(SGD) C. J. DEXTER, PRES.

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IL CONSERVATION COMMISSIC

SANTA FE, NEW MEXICO

LEA COUNTY

RHODES

East two-thirds of T. 26S-R37E. Enlarged so as to include all of T. 26S-R38E.

LANGLIE

All of T. 25S-R37E except Secs. 31 and 32. Enlarged so as to include all of T. 25S-R38E.

MATTIX

T. 24S-R37E. Enlarged so as to include all of T. 24S-R38E.

SKELLY

All T. 23S-R37E and Secs. 31, 32, 33, 35, 36 and SW $\frac{1}{4}$ and NE $\frac{1}{4}$ Sec. 34-T22S-R37E.
Enlarged so as to include all of T. 23S-R38E and Secs. 31, 32 and 33 in T. 22S-R38E.

PENROSE

All T. 22S-R37E except W $\frac{1}{2}$ and SE $\frac{1}{4}$ Sec. 7; all Sec. 18; W $\frac{1}{2}$ Sec. 17; all Sec. 19; W $\frac{1}{2}$ Sec. 20; all Sec. 31, 32, 33, NE $\frac{1}{4}$ and SW $\frac{1}{4}$ Sec. 34; all Sec. 35 and all Sec. 36.
Enlarged so as to include Secs. 4, 5, 6, 7, 8, 9, 16, 17, 18, 19, 20, 21, 28, 29 and 30 T. 22S-R38E.

HARDY

All T. 21S-R37E and Secs. 35 and 36 T. 20S-R37E; all Secs. 31, 32, 33, 34, 35 and 36 T. 20S-R38E. Enlarged so as to include all of T. 21S-R38E and Secs. 31 and 32 T. 20S-R39E. n $\frac{1}{2}$ Sec. 1 T. 21S-R36E. (Lots 1 to 16 inc.)

SKAGGE

Secs. 1, 2, 11, 12, 13, 14, 23, 24, 25 and 26 T. 20S-R37E. and all T. 20S-R38E except Secs. 31, 32, 33, 34, 35 and 36. Enlarged so as to include Secs. 5, 6, 7, 8, 17, 18, 19, 20, 29 and 30 in T. 20S-R39E.

HOBBS

Enlarged so as to include all of T. 18 and 19S-R38E; Secs. 1, 2, 11, 12, 13, 14, 23, 24, 25, 26, 35 and 36 T. 18S-R37E; Secs. 1, 2, 11, 12, 13, 14, 23, 24, 25, 26, 35 and 36 T. 19S-R37E.

ARROWHEAD

E $\frac{1}{2}$ Sec. 34; all 35; all 36 T. 21S-R36E and all Secs. 1, 2, and E $\frac{1}{2}$ 3; all 11, 12, 13 and E $\frac{1}{4}$ 14; all 24 T. 22S-R36E; W $\frac{1}{2}$ and SE $\frac{1}{4}$ Sec. 7; all 18, W $\frac{1}{2}$ 17; all 19; W $\frac{1}{2}$ 20 T. 22S-R37E.
Enlarged to include Secs. 25, 26 and 24 T. 21S-R36E.

U. S. NATIONAL BUREAU OF LAND MANAGEMENT
U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
LAND CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

SOUTH EUNICE

All T. 22S-R36E except portion of Arrowhead field therein as described above.
Enlarged to include Secs. 1, 12, 13, 24, 25 and 36 T. 22S-R-35E.

SOUTH LOVINGTON

To include Secs. 4, 5, 6, 7, 8, 9, 16, 17, 18, 19, 20, 21, 28, 29, 30, 31, 32 and 33 T. 16S-R37E.; Secs. 4, 5, 6, 7, 8, 9, 16, 17, and 18 T. 17S-R37E; all of T. 16S-R36E; Secs. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17 and 18 T. 17S-R36E.

VACUUM

C To include all of T. 17S-R35E; all of T. 17-R34E and Secs. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11 and 12 T. 18S-R35E., Secs. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11 and 12 T. 18S-R34E.

EAST MALJAMAR

O All of T. 17S-R33E.

EAST LUSK

P Secs. 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35 and 36 T. 19S-R32E.

EDDY COUNTY

WEST LUSK

Y Secs. 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35 and 36 T. 19S-R31E.

RUSSELL

All of T. 20S-R28E.

LOCO HILLS

Secs. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17 and 18 in T. 18S-R29E and Secs. 5, 6 and the W $\frac{1}{2}$ Sec. 7 T. 18S-R30E and Secs. 31, 32 and the S $\frac{1}{2}$ Sec. 29 T. 17S-R30E; S $\frac{1}{2}$ Sec. 31, S $\frac{1}{2}$ Sec. 32, S $\frac{1}{2}$ Sec. 33, S $\frac{1}{2}$ Sec. 34, S $\frac{1}{2}$ Sec. 35, S $\frac{1}{2}$ Sec. 36 T. 17S-R29E.

ANDERSON

All of Secs. 1, 2, 3, 10, 11, 12, 13, 14 and 15 T. 17S-R29E; Secs. 6 and 7 in T. 17S-R30E.

L CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

GRAYBURG-JACKSON

All of Secs. 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, N $\frac{1}{2}$ Sec. 29, all of Secs. 30, 33, 34, 35 and 36 T. 17S-R30E; all of Secs. 1, 2, 3, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35 and 36 T. 17S-R31E.

SHUGART

All of T. 18S-R31E and Secs. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11 and 12 T. 19S-R31E.

SOUTH MALJAMAR

C All of T. 18S-R32E and Secs. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11 and 12 T. 19S-R32E.

EAST MALJAMAR

All of T. 17S-R33E.

O

SQUARE LAKE

All of T. 16S-R30E. and Secs. 4, 5, 6, 7, 8, 9, 16, 17, 18, 19, 20, 21, 28, 29, 30, 31, 32 and 33 in T. 16S-R31E.; Secs. 1, 2, 3, 4, and 5 in T. 17S-R30E and Secs. 4, 5 and 6 T. 17S-R31E.

P

HIGH-LONESOME

All of T. 16S-R29E.

ROBINSON

Y

Secs. 1, 2, 3, 10, 11, 12, 13, 14, 15, 22, 23, 24, 25, 26, 27, 34, 35 and 36 T. 16S-R31E.

LEONARD

Secs. 4, 5, 6, 7, 8, 9, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, N $\frac{1}{2}$ 31, N $\frac{1}{2}$ 32, N $\frac{1}{2}$ 33, N $\frac{1}{2}$ 34, N $\frac{1}{2}$ 35, N $\frac{1}{2}$ 36 T. 17S-R29E.

LEO

Secs. 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35 and 36 in T. 18S-R29E; Secs. 1, 2, 3 and 4, E $\frac{1}{2}$ Sec. 7; all Secs. 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35 and 36 T. 18S-R30E.

EXHIBIT "A"

OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

P. O. Box 371

September 3, 1942

C
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P
Y

Honorable Glenn Staley
Proration Office
Hobbs, New Mexico

Re: Case No. 36 - Notice for Publication

My dear Glenn:

Attached is Notice for Publication in the
above captioned matter.

Very truly yours,

Carl B. Livingston
Chief Clerk & Legal Advisor

CHL:MS

OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

P. O. Box 371

September 2, 1942

C
The Santa Fe New Mexican
Santa Fe, New Mexico

O
Hobbs Daily News Sun
Hobbs, New Mexico

Gentlemen:

Re: Case No. 36 - Notice for Publication

P
Please publish the enclosed notice once, immediately.
Please proof read the notice carefully and send a copy of the
paper carrying such notice.

UPON COMPLETION OF THE PUBLICATION, PLEASE SEND
PUBLISHER'S AFFIDAVIT.

Y
For payment please submit statement in duplicate
accompanied by voucher executed in duplicate. The vouchers
must be signed by a notary in the space provided on the back
of the voucher. The necessary voucher blanks are enclosed.

Very truly yours,

Carl B. Livingston
Chief Clerk & Legal Advisor

CBL:MS

J. M. HERVEY
HIRAM M. DOW
CURTIS HILL
CLARENCE E. HINKLE

LAW OFFICES
HERVEY, DOW, HILL & HINKLE
ROSWELL, NEW MEXICO
August 18, 1942

Mr. Carl B. Livingston
State Land Office
Santa Fe, New Mexico

Dear Mr. Livingston:

We hand you herewith map of the
Maljamar Oil Field, which is to be filed
with the Petition of Operators' Committee
under Maljamar Cooperative Repressuring
Agreement, sent to you on August 14.

Yours very truly,

HERVEY, DOW, HILL & HINKLE

By *Lois Brown*
Secretary.

LC
encl.

J. M. HERVEY
HIRAM M. DOW
CURTIS HILL
CLARENCE E. HINKLE

LAW OFFICES
HERVEY, DOW, HILL & HINKLE
ROSWELL, NEW MEXICO
August 14, 1942

Mr. Carl B. Livingston
State Land Office
Santa Fe, New Mexico

Dear Carl:

In Re: Maljamar Repressuring
Agreement.

We enclose letter addressed to the
Oil Conservation Commission, with petition
attached, and also an executed copy for your
files.

We are sending the original to you for
filing with the Commission, with the thought
that you consider the same and advise us in the
event you have any changes to suggest, so that
the petition may be modified, if necessary,
before being filed.

In the event the petition is satisfactory,
we would appreciate your filing the same, and we
assume that the Commission will call a hearing
at its meeting on August 28.

Yours very truly,

HERVEY, DOW, HILL & HINKLE

By 

CEH/c
encl.

J. M. HERVEY
HIRAM M. DOW
CURTIS HILL
CLARENCE E. HINKLE

LAW OFFICES
HERVEY, DOW, HILL & HINKLE
ROSWELL, NEW MEXICO
August 14, 1942

Oil Conservation Commission
Santa Fe, New Mexico

Gentlemen:

We hand you herewith petition
of Operators' Committee under the Maljamar
Cooperative Repressuring Agreement in force
in the Maljamar Field, requesting that the
Commission call a hearing for passing upon
and approving certain matters in connection
with the pressure maintenance program.

Yours very truly,

HERVEY, DOW, HILL & HINKLE

By 

CEH/c

OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

P. O. Box 871

August 3, 1942

Honorable Clarence Hinkle
Hervey, Dow, Hill & Hinkle
Roswell, New Mexico

Re: Maljamar Repressuring
Agreement

My dear Clarence:

Pursuant to the conversation today by long distance telephone, I will be on hand in Roswell all day Tuesday, the 11th, to go into the above captioned matter in detail with you. I believe in this way we can iron out the repugnant features and yet leave the agreement in the main substantially intact.

Very truly yours,

Carl B. Livingston
Chief Clerk & Legal Advisor

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OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

P. O. Box 571

July 31, 1942

Mr. Clarence Hinkle, Attorney for the
Maljamar Cooperative Repressuring Agreement
Roswell, New Mexico

Dear Sir:

Your letter of June 27, 1942, which was accompanied by an executed copy of "Maljamar Cooperative Repressuring Agreement" was studied by the New Mexico Oil Conservation Commission at its Executive Meeting on July 31, 1942.

The Commission considered the copy of the "Maljamar Cooperative Repressuring Agreement" as an application of the operators' committee acting under and pursuant to the repressuring agreement for the approval of this agreement by the Oil Conservation Commission of New Mexico.

The New Mexico Oil Conservation Commission has gone on record that they would give the most favorable consideration to any agreement presented to them by any operator or group of operators, which agreement would be for the purpose of conserving the natural resources of New Mexico and which would secure the greatest ultimate recovery of oil and gas from the reservoir by either repressuring the reservoir or by maintaining the reservoir pressure through the input of produced or extraneous gases.

The Commission feels that in the case of the "Maljamar Cooperative Repressuring Agreement" that the operators' committee file for a hearing before the Commission under Section 2, Paragraph A, of the Oil Conservation Act, which empowers the Commission to determine whether or not underground waste will be involved in this agreement.

Very truly yours,

John M. Kelly
Secretary.

JME:MS
cc Emory Carper
Ralph Shugart

J. M. HERVEY
HIRAH M. DOW
CURTIS HILL
CLARENCE E. HINKLE

LAW OFFICES
HERVEY, DOW, HILL & HINKLE
ROSWELL, NEW MEXICO

July 7, 1942

Mr. Carl B. Livingston, Attorney
State Land Office
Santa Fe, New Mexico

In Re: Maljamar Cooperative Repressuring
Agreement.

Dear Carl:

I have your letter of July 3, 1942 stating that the Maljamar Repressuring Agreement will be submitted to the Commission at its meeting on July 28th which is set for 2:00 P. M. I assume that it will not be necessary for one of us or a member of the Operators' Committee to be present at the time of the consideration of this matter by the Commission as we understand that the Commission will probably approve the agreement with certain reservations and that later it will be necessary to have a hearing in regard to fixing the allowable on account of loss of production from input wells, etc.

Yours very truly,

HERVEY, DOW, HILL & HINKLE

By 

CEH:R

CIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

P. O. Box 871

July 3, 1942

C
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Honorable Clarence E. Hinkle
Hervey, Dow, Hill & Hinkle
Roswell, New Mexico

Re: Maljamar Cooperative
Repressuring Agreement

Dear Clarence:

Your petition together with the agreement in the above captioned matter, submitted in your letter of July 29 for consideration by the Commission in its executive capacity, will be considered by the Commission at its meeting on July 28. The meeting of the Commission is set for 2 P.M. on that date.

Very truly yours,

Carl B. Livingston
Chief Clerk & Legal Advisor

CHL:MS

cc Ralph Shugart, Artesia

J. M. HERVEY
HIRAM M. DOW
CURTIS HILL
CLARENCE E. HINKLE

LAW OFFICES
HERVEY, DOW, HILL & HINKLE
ROSWELL, NEW MEXICO
June 29, 1942

Mr. Carl Livingston
State Land Office
Santa Fe, New Mexico

Dear Carl:

The enclosed letter addressed to the State Oil Conservation Commission is, of course, self explanatory.

This agreement is submitted in line with our conversation concerning the proper procedure, and at this time we desire to have the repressuring contract approved generally by the Commission, acting in its executive capacity.

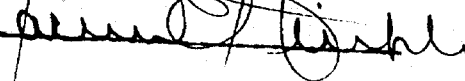
We understand of course that the Commission may make certain reservations in connection with its approval, and that it may be later necessary to have a hearing before the Commission in its quasi judicial capacity, for the purpose of fixing allowables to replace or supplement allowables lost from in-put wells.

We are sorry that we did not get this to you sooner, but we submitted an outline of the procedure as we discussed to the Operators' Committee, and they did not have a meeting until recently, so that we were not authorized to go ahead.

Yours very truly,

HERVEY, DOW, HILL & HINKLE

By



CEH/c
encls.

J. M. HERVEY
HIRAM M. DOW
CURTIS HILL
CLARENCE E. HINKLE

LAW OFFICES
HERVEY, DOW, HILL & HINKLE
ROSWELL, NEW MEXICO
June 27, 1942

State Oil Conservation Commission
State House
Santa Fe, New Mexico

Gentlemen:

We hand you herewith, executed copy of Maljamar Cooperative Repressuring Agreement, dated August 5, 1941, which you will notice has been duly approved by the Secretary of the Interior.

You may consider this as an application of the Operators' Committee, acting under and pursuant to the repressuring agreement for the formal approval of this agreement by the Conservation Commission.

The agreement, of course, speaks for itself, the main object and purpose of the same being the repressuring of the Maljamar Oil & Gas Field, and at the same time the operation and maintenance of the natural gasoline plant for the recovery of gasoline from the gas used in connection with the repressuring operations. All of the lands thus far committed to the agreement are lands belonging to the United States, upon which leases have been issued under and pursuant to the Act of Congress approved February 25, 1920, and amendments thereto, except the E $\frac{1}{2}$ Sec. 16, Twp. 17 S. Rge. 32 E., N.M.P.M., which is state land. Obviously, the agreement is not intended as a unitization agreement in the ordinary accepted meaning of this term, but simply a cooperative arrangement by the several owners of the properties in the Maljamar Field to finance the erection, maintenance and operation of the repressuring plant and system. In this connection, we call your attention to the fact that the agreement provides for the financing of the same by the assignment to the contractor of 1/16 of 7/8 of the oil runs from the various properties involved until the cost of the plant and system is liquidated. The Frick-Reid Supply Company undertook the erection of the plant, and the agreement was drawn with a view to the whole

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operation being financed by the Frick-Reid Company; however, after the agreement was entered into and the construction work started, the Operators' Committee negotiated a loan with the First National Bank in Dallas, through which the plant has been financed, and we understand that it has just recently been put into operation.

If there is any further information you desire in connection with the approval of the agreement, we shall be glad to furnish the same.

Yours very truly,

HERVEY, DOW, HILL & HINKLE

By 

CEH/c
encl.

cc- Mr. Ralph A. Shugart, Secretary
Maljamar Cooperative Repressuring Agreement
Artesia, New Mexico

CIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

P. O. Box 371

July 1, 1942

C
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Honorable Clarence E. Hinkle
Hervey, Dow, Hill & Hinkle
Roswell, New Mexico

Re: Maljamar Cooperative
Repressuring Agreement.

My dear Clarence:

Your petition for approval of the above captioned matter has not as yet been received by the Commission. This is to inquire if there has been any change of plan and when the petition is to be expected.

When I had a conference with you in your office May 21st it was then your thought to present your petition to the Commission sitting in its executive capacity for approval of the agreement insofar as the Commission may in such capacity, with the understanding that the Commission would necessarily make reservations as to such matters that required consideration in its quasi judicial capacity. For the latter purpose a petition was to be separately filed for an advertised hearing as provided by law.

Please advise as soon as you may.

With kindest personal regards.

Very truly yours,

Carl B. Livingston
Chief Clerk & Legal Advisor

CRL:MS
cc Ralph Shugart
Artesia

OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

P. O. Box 871

May 7, 1942

Mr. Clarence B. Hinkle
Hervey, Dow, Hill & Hinkle
Roswell, New Mexico

Re: Maljamar Cooperative
Reinsuring Agreement

My dear Clarence:

This is to acknowledge the receipt of your
letter of May 4 to Mr. John Kelly of this Commission.

Your letter will be brought to the attention
of Mr. Kelly.

Very truly yours,

Carl B. Livingston
Chief Clerk & Legal Advisor

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J. M. HERVEY
HIRAM M. DOW
CURTIS HILL
CLARENCE E. HINKLE

LAW OFFICES
HERVEY, DOW, HILL & HINKLE
ROSWELL, NEW MEXICO

May 4, 1942

Mr. John Kelly
State Geologist
State House
Santa Fe, New Mexico

Dear Mr. Kelly: Re: Maljamar Cooperative
 Repressuring Agreement.

Our Mr. Dow stated that you had mentioned to him that the Maljamar Cooperative Repressuring Agreement covering the Maljamar Field in Lea County had never been submitted to the State Conservation Commission for approval.

For your information, this agreement was entered into on August 5, 1941 and was later approved by the Secretary of the Interior, as required by the Federal Mineral Leasing Act. With the exception of Section 16, Twp. 17 S. Rge. 32 E. all of the lands committed to the agreement are federal lands.

Under the terms of the repressuring agreement, an Operators' Committee was appointed for the purpose of constructing, operating and maintaining a repressuring plant and natural gasoline plant in connection therewith. The cost of the plant, which is about ready for operation, was financed through a loan made by the First National Bank in Dallas, secured by an assignment of 1/16 of 7/8 of the oil runs from all of the properties committed to the agreement and a mortgage on the repressuring plant.

We should like to have the agreement and entire operation approved by the State Conservation Commission, and the Operators' Committee will be glad to file with you whatever instruments are desired in connection with this matter.

We assume that you will desire an executed copy of the agreement, and would appreciate your

-2-

advice as to what you would like for us to file, and the information you desire in connection with the approval of the agreement.

Yours very truly,

HERVEY, DOW, HILL & HINKLE

By James E. Hill

CEH/c

cc- Mr. Ralph A. Shugart
Artesia, New Mexico

Mr. Emery Carper
Artesia, New Mexico

OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

P. O. Box 371

May 7, 1942

C
O
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Y

Mr. Emory Carper, Chairman
Maljamar Cooperative
Repressuring Agreement
Artesia, New Mexico

Re: Maljamar Cooperative
Repressuring Agreement

Dear Mr. Carper:

This is to acknowledge the receipt of your letter of April 30 directed to Mr. John Kelly, Secretary of this Commission.

Mr. Kelly desires that you be informed that the matters presented in your letter will be given study and you will be notified of any further information we may need.

Very truly yours,

Carl B. Livingston
Chief Clerk & Legal Advisor

CBL:MS

EXECUTIVE COMMITTEE

EMERY CARPER
M. E. BAISH
BARNEY COCKBURN
J. L. STEELE
JACK SHAW

EMERY CARPER
CHAIRMAN

R. A. SHUGART
SECRETARY

MALJAMAR COOPERATIVE
REPRESSURING AGREEMENT

ARTESIA, NEW MEXICO

April 30, 1942

Mr. John Kelly, Secretary,
Oil Conservation Commission,
Santa Fe, New Mexico.

Dear Mr. Kelly:

We have talked to you several times in regard to our program of repressuring and we wish now to notify you that our plant has been constructed and is on its test run. We have not yet accepted this plant from the contractor. This letter is written to you by myself as Chairman of the Board and R. A. Shugart as Secretary. We wish to briefly outline the work done on this project to date.

On August 5, 1941, a group of operators in the Maljamar area entered into an agreement. The name of this agreement being the Maljamar Cooperative Repressuring Agreement. This Agreement was drawn and signed by operators owning over half of the leases in the South half of Township 17 S, Range 32 E. After this Agreement was signed by the various operators, to wit,

Maljamar Oil and Gas Corporation
Carper Drilling Company
Barney Cockburn
Johnney Cockburn
E. G. Woods
R. W. Fair

it was submitted to the Honorable Harold L. Ickes, Secretary of the Interior, and on September 29, 1941, he approved our Agreement. A copy of the Agreement showing the filing record and a map showing the committed area and the general outline of the whole area set by the Secretary of the Interior is herewith enclosed.

After the Agreement was signed by the Secretary of the Interior, we made a contract for the building of our plant with the Frick-Reid Supply Corporation at Tulsa, Oklahoma. The total cost of the plant when fully completed will be approximately \$400,000.00.

EXECUTIVE COMMITTEE

EMERY CARPER
M. E. BAISH
BARNEY COCKBURN
J. L. STEELE
JACK SHAW

EMERY CARPER
CHAIRMAN

R. A. SHUGART
SECRETARY

MALJAMAR COOPERATIVE
REPRESSURING AGREEMENT

ARTESIA, NEW MEXICO

-2-

Our plant includes a natural gasoline and butane plant. These products will be extracted from the gas and then the gas will be returned to the sands for repressuring.

We have had a lot of difficulty in getting priority ratings, etc, but have at last succeeded in getting enough material to start the plant. We are at the present time trying to get some more line pipe in order to connect up additional wells. Several of these wells were drilled after the Agreement was effective.

We ask that you write us a letter outlining what procedure you deem necessary in connection with the operating of the plant. As we have stated above, the plant is now on a test run and we are trying to iron out all of the bugs in the system which is no little job. We expect to have the plant running in a satisfactory manner and ready for acceptance from the contractor within the next thirty days. The first time you are in Artesia and have time it will be a pleasure to take you to the plant for a personal inspection and assure you that it is our intention to cooperate with the New Mexico Oil Conservation rules and regulations in their entirety.

Hoping that you will make a trip to Artesia soon and with best personal regards, we are

Very truly yours,

MALJAMAR COOPERATIVE
REPRESSURING AGREEMENT,

Emery Carper
Chairman

R. A. Shugart
Secretary

RAS:M

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE NO. 36
ORDER NO. 485

THE PETITION OF THE OPERATORS' COMMITTEE
UNDER MALJAMAR COOPERATIVE REPRESSURING
AGREEMENT, WITH REGARD TO A CERTAIN AREA
WITHIN THE MALJAMAR FIELD, LEA COUNTY, FOR
AN ORDER APPROVING THE FOLLOWING, AND SUCH
OTHER MATTERS AND THINGS INCIDENT THERETO
AS MAY BE REQUIRED BY LAW TO BE APPROVED
BY THE OIL CONSERVATION COMMISSION:
UNITIZATION OF GAS, SELECTION OF KEY OR
IN-PUT WELLS, MANNER OF COMPUTATION AND
COMPENSATION FOR LOSS TO PRODUCTION UNITS
UPON WHICH ARE LOCATED KEY OR IN-PUT WELLS,
AND THE PROHIBITION OF A TOP ALLOWABLE
EXCEEDING 44 BARRELS PER PRODUCTION UNIT
PER DAY.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at two o'clock P.M., October 29, 1942, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this 14th day of November, 1942, the Commission having before it for consideration the testimony adduced at the hearing of said case and being fully advised in the premises, the Commission finds:

F I N D I N G S

1. That on August 5, 1941, an agreement was made and entered into by and between the parties signatory thereto, an original of which agreement is filed in this case as exhibit A; said agreement having as its general objects and purpose, the following:

(a) The erection and maintenance of a repressuring plant and system, for the purpose of using the natural gas produced from the area subject to the agreement for pressure maintenance, so as to secure the greatest ultimate recovery of oil and gas from such area.

(b) For the erection and maintenance of a natural gasoline plant to be operated in connection with the repressuring plant and system hereinabove referred to.

(c) For the purpose of conducting operations in the area subject to the agreement in such a manner as to provide for the most economical and efficient recovery of oil and gas to the end that the maximum ultimate recovery may be obtained without waste.

2. That said agreement provides for a cooperative area, hereinafter referred to as the cooperative area, and within the boundaries of the cooperative area a somewhat lesser area that is actually committed to said agreement, which lesser area is hereinafter referred to as the committed area. Both of said areas are more particularly described in Section II of the Order herein.

All of the lands within the committed area are under oil and gas lease. All of the leases within the committed area, except the lease covering the E $\frac{1}{2}$ Sec. 16, T. 17S., R. 32E., are issued by the United States under and pursuant to the Act of Congress approved February 25, 1920. The lease covering the said E $\frac{1}{2}$ Sec. 16 was issued by the State of New Mexico, acting by and through its Commissioner of Public Lands. All of said lands being in the area commonly referred to and known as the Maljamar Oil & Gas Field.

It is contemplated by said agreement that other lands within the cooperative area may be committed to said agreement which adjoin the lands which are already committed, with the consent of the parties to said agreement, and where such lands will be benefited by the pressure maintenance operations.

3. That it is the purpose and intention of said agreement to operate the properties subject thereto, in so far as the oil produced is concerned in the same manner as they were operated prior to entering into said agreement; that is to say, each of the respective owners are to operate their properties individually and the oil is to belong to the lease from which produced, and each operator is to market his or its own oil.

In so far as the natural gas produced from the properties subject to the agreement is concerned, all of such gas except the amount used for development purposes or unavoidably lost is to be delivered to the repressuring plant, and after the extraction of the natural gasoline is to be returned to the formation from which oil is being produced in said field.

4. That said repressuring agreement provides for the selection by the parties thereto of a Committee to be known as "The Operators' Committee" for the purpose of carrying out the objects and purposes of the agreement, and for the purpose of operating and maintaining the repressuring plant and system and gasoline plant. That the following representatives of the parties to said agreement have been elected to constitute the Operators' Committee, namely, Emory Carper, Artesia, New Mexico, representing Carper Drilling Company; M.E. Baish, Artesia, New Mexico, representing Maljamar Oil & Gas Corporation; J.B. Steele, representing the Kewanee Oil Company, the latter having acquired its interest from Barney Cockburn after the execution of the repressuring agreement; Barney Cockburn, Lubbock, Texas, representing himself, the Fair Oil Company and Johney Cockburn; J.B. Shaw, representing E.C. Woods.

5. That the Operators' Committee has selected, subject to the approval of the Commission, thirteen in-put wells which have been selected after careful study by engineers, with the view of being the most effective and properly located so as to be of the greatest benefit in maintaining the pressure of the field in the repressuring operations. Said wells are shown on the map of the Maljamar Oil Field filed in this Case as exhibit B, and are more particularly described in Section V of the Order herein.

In addition to the said in-put wells, there is contemplated the selection of other in-put wells within the now committed area and in other areas within the cooperative area as the committed area is extended--a matter necessary for the fuller attainment of the objects and purposes named in Section 1 of the findings herein.

That such in-put wells as may be necessary to be selected from time to time should be submitted by the Operators' Committee to the Commission for approval administratively without the calling of a formal hearing therefor.

6. That sixty percent of the allowable to the proration units upon which are situated the in-put wells should be redistributed to all the other proration units within the committed area capable of producing such additional oil without waste.

7. That the proration units within the committed area should not exceed the production of 44 barrels of oil daily if the current allowable in the future exceeds said amount; subject, however, to the proviso set out in Section VII of the order herein. Such petition should be considered by the Commission administratively without further notice and formal hearing.

IT IS THEREFORE ORDERED:

1. That this project shall hereafter be known as the Maljamar Cooperative Repressing Agreement.

II. That the cooperative area referred to in Section 2 of the findings herein consists of the following tracts: Sections 14 to 23 inclusive, and Sections 26 to 35, inclusive, in Twp. 17S. Rge. 32E., N.M.P.M., Lea County, New Mexico.

The committed area referred to in Section 2 of the findings herein is described as follows:

The E¹/₂ Sec. 14; E¹/₂ Sec. 16; all Sec. 17,
18, 19, 20, 21, 22, 27, 28, 29 and 30.
The N¹/₂, N¹/₂SE¹/₄, NE¹/₄SW¹/₄, S¹/₂SW¹/₄ Sec. 23;
S¹/₂NW¹/₄, SW¹/₄ Sec. 26; N¹/₂, W¹/₂SE¹/₄, Sec. 31;
N¹/₂, SE¹/₄ Sec. 33; NE¹/₄, W¹/₂NW¹/₄ Sec. 34; W¹/₂
Sec. 35, all in Twp. 17S. Rge. 32E.,
N.M.P.M.

As the committed area within the boundaries of the cooperative area is enlarged as in Section 2 of the findings herein, the Operators' Committee shall notify the Commission promptly in writing as to such enlarged committed area named subject to the approval of the Commission administratively without further notice and formal hearing; provided, however, that any extension of the cooperative area and of the committed area beyond the limits of the cooperative area as set out in Section II of the order herein shall be upon formal petition, notice and hearing as provided by law.

III. There shall be no unitization of oil but the gas shall be utilized in the manner set out in Section 3 of the findings herein.

IV. That the management of said project shall be by the Operators' Committee as set out in Section 4 of the findings herein. Any change of membership of said Operators' Committee should be transmitted promptly in writing to the Commission.

V. That the in-put wells referred to in Section 5 of the findings herein are hereby authorized for use as such and are more particularly described as follows:

Maljamar Oil & Gas Corp.	Wm. Mitchell	B-12	SW ¹ / ₄ SE ¹ / ₄	Sec. 19-17S-32E.
"	"	B-4	SW ¹ / ₄ SE ¹ / ₄	" 20 " "
"	"	A-8	SW ¹ / ₄ NW ¹ / ₄	" 20 " "
"	"	A-8	SW ¹ / ₄ NW ¹ / ₄	" 21 " "
"	Baish	A-1	NE ¹ / ₄ NE ¹ / ₄	" 21 " "
"	"	B-6	SW ¹ / ₄ SE ¹ / ₄	" 21 " "
Carper Drilling Company	Simon	4-N	SW ¹ / ₄ NW ¹ / ₄	" 29 " "
"	Simon	8-N	SW ¹ / ₄ SE ¹ / ₄	" 29 " "
Kewanee Oil Company		B-15	SW ¹ / ₄ NW ¹ / ₄	" 28 " "
"	"	B-29	SW ¹ / ₄ SE ¹ / ₄	" 28 " "
"	"	B-9	SW ¹ / ₄ NW ¹ / ₄	" 27 " "
"	"	B-11	SW ¹ / ₄ SE ¹ / ₄	" 27 " "
Barney Cockburn	Miller	A-6	SW ¹ / ₄ NW ¹ / ₄	" 26 " "

The selection of other in-put wells within the area committed and for the further area to be committed within the cooperative area described in Section II of the order herein shall be submitted to the Commission for its consideration of approval administratively without further notice and formal hearing thereupon.

VI. That said 13 in-put wells described in Section V of the order herein are hereby assigned the top allowable for one year beginning with the effective date of this order. Thereafter, said input wells if further used as such shall have such allowable for such period of time as determined by the Commission administratively; likewise, other in-put wells authorized to be selected as provided in Section V of the order herein shall have such allowable for such period of time as field tests to the Commission may seem advisable.

Sixty percent of the allowable lost by in-put wells shall be redistributed to all the other top allowable proration units within the committed area by dividing the above mentioned amount lost through the use of the in-put wells by the number of top allowable producing wells in the committed area and the amount so determined would be added to the regular top allowable for each well. If the operators subject to said agreement do not desire to produce such excess allowable during any month the Operators' Committee would in that event notify the Commission before the allowable for such month is fixed and not later than the 25th day of the month preceding.

VII. That the proration units within the committee area shall not exceed the production of 44 barrels of oil daily should the current allowable in the future exceed that amount; subject, however, to the right of the Operators' Committee to petition the Commission administratively, by the 25th day of the month before the fixing of any monthly allowable, to change or modify such maximum allowable for the committed area.

VIII. That this order shall become effective on the first day of the proration month next succeeding the month in which said Order is adopted.

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

OIL CONSERVATION COMMISSION

(Sgd) JOHN E. MILES, Chairman

" H.R. RODGERS, Member

" JOHN M. KELLY, Secretary

PRORATION OFFICE
Hobbs, N.M.

B Feb
Case #36 File

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

July 25, 1957

C
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Buffalo Oil Company
203 Carper Building
Artesia, New Mexico

Re: Administrative approval to convert
a well from a producer to a gas input well.

Attention: Mr. Max E. Curry

Gentlemen:

Reference is made to your letter dated July 22, 1957, requesting administrative approval under Order No. 485 to convert a producing oil well to a gas input well in the MCRA area.

Your request was to convert your Mitchell "B" Well No. 17, located in the center of the SW/4 SW/4 of Section 17, Township 17 South, Range 32 East, Eddy County, New Mexico from an oil well that has reached its economic limit to a gas input well. This well is in the Maljamar Pool and in the Maljamar Cooperative Repressuring Agreement Project as outlined in Order No. 485 dated November 14, 1942.

By authority contained in Section V of Order No. 485 you are hereby given permission to convert subject well from a small oil producer to a gas input well in the Maljamar Cooperative Repressuring Agreement Project.

Yours very truly,

A. L. PORTER, JR.
Secretary-Director

With cc

cc: Oil Conservation Commission, Artesia, N. Mex.
Oil Conservation Commission, Hobbs, N. Mex.
U. S. Geological Survey, Artesia, New Mexico
Maljamar Cooperative Repressuring Agreement

B file
MAIN
1957 JUL 22 PM 1:24
TULSA 3, OKLAHOMA

BUFFALO OIL COMPANY
A MARYLAND CORPORATION
FIRST NATIONAL BUILDING

July 22, 1957

203 ADDRESS REPLY TO:
CARPER BUILDING
ARTESIA, NEW MEXICO

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

Attn: Mr. A. L. Porter, Secretary-Director

Dear Sir:

Buffalo Oil Company seeks administrative approval to convert their Mitchell "B" well No. 17 from a producing well in the Maljamar Oil Pool, Lea County, New Mexico to a gas input well in the Maljamar Cooperative Repressuring Agreement project as provided by section V, Order No. 485, dated November 14, 1942. In support of this request, Buffalo Oil Company makes the following statements.

1. Buffalo Oil Company, a Maryland Corporation with offices in Tulsa, Oklahoma and Artesia, New Mexico, is the sole owner and operator of their Mitchell "B" lease (Federal No. LC-029405-b) consisting, in part, of Section 17, T-17S, R-32E, Maljamar Pool, Lea County, New Mexico upon which their Mitchell "B" well No. 17 is located 660' FW&SL of the section and lease lines, Unit M.

2. The subject well and proration unit are within the confines of the Maljamar Cooperative Repressuring Agreement as set out by Commission Order No. 485. All operators within the operating area have been notified by letter of the proposal to convert this well to a gas injection well as a part of the Maljamar Cooperative Repressuring Agreement project without objection.

3. The subject well is presently capable of producing 4 BOPD, which is considered by the operator to be at its economic limit and is no longer capable of producing oil in commercial quantities. As a result of this well's failure to produce economic quantities of oil, a request to cancel the well's allowable has been filed, effective July 1, 1957.

4. The subject area is not served by present injection wells of the repressuring project and is, consequently, in a low pressure area. The conversion of this well to an injection well will serve to increase the reservoir pressure of the surrounding area, thereby making more energy available by which additional oil may be produced.

Mr. A. L. Porter

July 22, 1957

Page "2"

5. Buffalo Oil Company has received approval from the United States Geological Survey to convert this well to a gas injection well by their form 9-331a submitted by Buffalo Oil Company June 17, 1957 and approved by Robert F. Evans, acting District Engineer, Roswell, New Mexico dated June 20, 1957.

Wherefore, Buffalo Oil Company further states that approval of the proposed conversion of Mitchell "B" well No. 17 will result in conservation of oil and prevent waste in this pool through more efficient production practices and will result in greater recovery of oil in the area surrounding this well. With these facts in mind, Buffalo Oil Company respectfully requests approval of the conversion of their Mitchell "B" well No. 17 from a non-profitable oil producer to a gas injection well in the Maljamar Cooperative Repressuring Agreement pressure maintenance project by Administrative action as set out in the Commission Order No. R-485, Section V, dated November 14, 1942.

Very truly yours,

Buffalo Oil Company



Max E. Curry
District Superintendent

MEC:ds

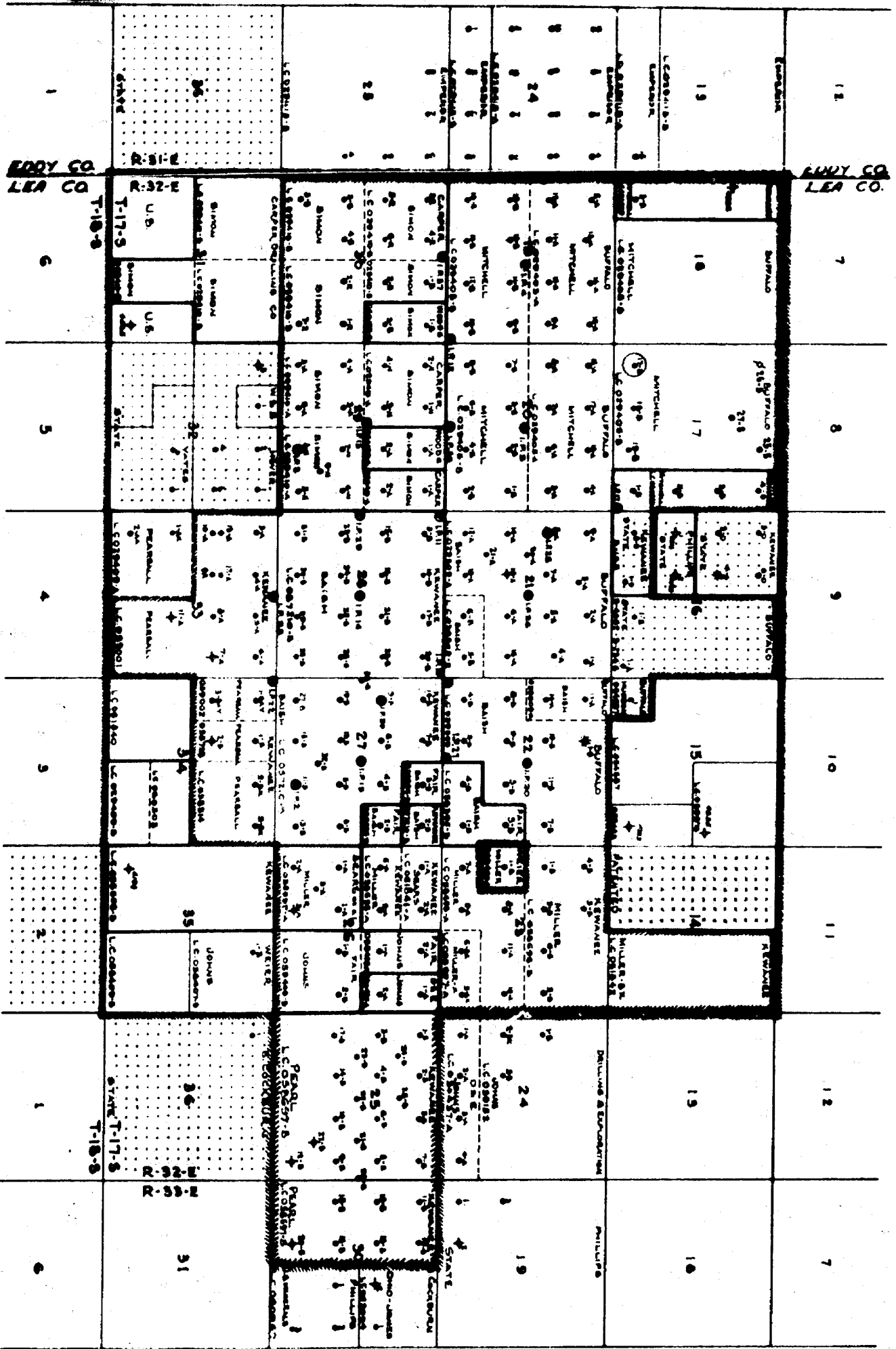


EXHIBIT A (Revised)

OWNERSHIP MAP
OF THE
MALAMAR COOPERATIVE
REPRESSING AREA
LEA COUNTY, NEW MEXICO

LEGEND

- Oil Wells
- Gas Meter Wells
- * Gas Wells
- ✦ Dry Wells
- Drilled Wells + Advanced Wells
- Operator Boundary
- Area Boundary
- Government Land
- State Land
- Private Land
- Acreage Committed to Repressing Agreement

Drawn by C.R. Conway
October 25, 1949

As per letter 285-
 36 - acc
 § V

VI

Trial	Control (n=10)	MCI (n=10)	AD (n=10)
1	95	85	75
2	95	85	75
3	95	80	70
4	95	75	65
5	95	75	65

SECRETARY DIRECTOR

L CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

P. O. Box 871

November 16, 1942

C
O
P
Y

Honorable Glenn Staley
Proration Office
Hobbs, New Mexico

Re: Case No. 36 - Order No. 485

My dear Glenn:

Enclosed please find Order No. 485 in connection
with the above captioned case.

Cordially yours,

Carl B. Livingston
Chief Clerk & Legal Advisor

CEL:MS

CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

P. O. Box 871

November 16, 1942

Mr. Ralph Shugart
Artesia, New Mexico

Re: Case No. 36 - Order No. 485

My dear Ralph:

Enclosed please find Order No. 485 in connection
with the above captioned case.

Cordially yours,

Carl B. Livingston
Chief Clerk & Legal Advisor.

CBL:MS

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CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

P. O. Box 371

November 16, 1942

Mr. Clarence Hinkle
Harvey, Dow, Hill & Hinkle
Roswell, New Mexico

Re: Case No. 36 -- Order No. 485

My dear Clarence:

Enclosed please find Order No. 485 in connection
with the above captioned case.

Cordially yours,

Carl B. Livingston
Chief Clerk & Legal Advisor

CHL:MS

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE NO. 36

ORDER NO. 485

THE PETITION OF THE OPERATORS' COMMITTEE
UNDER MALJAMAR COOPERATIVE REPRESSURING
AGREEMENT, WITH REGARD TO A CERTAIN AREA
WITHIN THE MALJAMAR FIELD, LEA COUNTY, FOR
AN ORDER APPROVING THE FOLLOWING, AND SUCH
OTHER MATTERS AND THINGS INCIDENT THERETO
AS MAY BE REQUIRED BY LAW TO BE APPROVED
BY THE OIL CONSERVATION COMMISSION:
UNITIZATION OF GAS, SELECTION OF KEY OR
IN-PUT WELLS, MANNER OF COMPUTATION AND
COMPENSATION FOR LOSS TO PRORATION UNITS
UPON WHICH ARE LOCATED KEY OR IN-PUT WELLS,
AND THE PROHIBITION OF A TOP ALLOWABLE
EXCEEDING 44 BARRELS PER PRORATION UNIT
PER DAY.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at two o'clock P.M., October 29, 1942, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this 14th day of November, 1942, the Commission having before it for consideration the testimony adduced at the hearing of said case and being fully advised in the premises, the Commission finds:

FINDINGS

1. That on August 5, 1941, an agreement was made and entered into by and between the parties signatory thereto, an original of which agreement is filed in this case as exhibit A; said agreement having as its general objects and purposes, the following:

(a) The erection and maintenance of a repressuring plant and system, for the purpose of using the natural gas produced from the area subject to the agreement for pressure maintenance, so as to secure the greatest ultimate recovery of oil and gas from such area.

(b) For the erection and maintenance of a natural gasoline plant to be operated in connection with the repressuring plant and system hereinabove referred to.

(c) For the purpose of conducting operations in the area subject to the agreement in such a manner as to provide for the most economical and efficient recovery of oil and gas to the end that the maximum ultimate recovery may be obtained without waste.

2. That said agreement provides for a cooperative area, hereinafter referred to as the cooperative area, and within the boundaries of the cooperative area a somewhat lesser area that is actually committed to said agreement, which lesser area is hereinafter referred to as the committed area. Both of said areas are more particularly described in Section II of the Order herein.

All of the lands within the committed area are under oil and gas lease. All of the leases within the committed area, except the lease covering the E $\frac{1}{2}$ Sec. 16, T. 17S., R. 32E., are issued by the United States under and pursuant to the Act of Congress approved February 25, 1920. The lease covering the said E $\frac{1}{2}$ Sec. 16 was issued by the State of New Mexico, acting by and through its Commissioner of Public Lands. All of said lands being in the area commonly referred to and known as the Maljamar Oil & Gas Field.

It is contemplated by said agreement that other lands within the cooperative area may be committed to said agreement which adjoin the lands which are already committed, with the consent of the parties to said agreement, and where such lands will be benefited by the pressure maintenance operations.

3. That it is the purpose and intention of said agreement to operate the properties subject thereto, in so far as the oil produced is concerned in the same manner as they were operated prior to entering into said agreement; that is to say, each of the respective owners are to operate their properties individually and the oil is to belong to the lease from which produced, and each operator is to market his or its own oil.

In so far as the natural gas produced from the properties subject to the agreement is concerned, all of such gas except the amount used for development purposes or unavoidably lost is to be delivered to the repressuring plant, and after the extraction of the natural gasoline is to be returned to the formation from which oil is being produced in said field.

4. That said repressuring agreement provides for the selection by the parties thereto of a Committee to be known as "The Operators' Committee" for the purpose of carrying out the objects and purposes of the agreement, and for the purpose of operating and maintaining the repressuring plant and system and gasoline plant. That the following representatives of the parties to said agreement have been elected to constitute the Operators' Committee, namely, Emery Carper, Artesia, New Mexico, representing Carper Drilling Company; M. E. Baish, Artesia, New Mexico, representing Maljamar Oil & Gas Corporation; J. B. Steele, representing the Kewanee Oil Company, the latter having acquired its interest from Barney Cockburn after the execution of the repressuring agreement; Barney Cockburn, Lubbock, Texas, representing himself, the Fair Oil Company and Johney Cockburn; J. B. Shaw, representing E. G. Woods.

5. That the Operators' Committee has selected, subject to the approval of the Commission, thirteen in-put wells which have been selected after careful study by engineers, with the view of being the most effective and properly located so as to be of the greatest benefit in maintaining the pressure of the field in the repressuring operations. Said wells are shown on the map of the Maljamar Oil Field filed in this Case as exhibit B, and are more particularly described in Section V of the Order herein.

In addition to the said in-put wells, there is contemplated the selection of other in-put wells within the now committed area and in other areas within the cooperative area as the committed area is extended—a matter necessary for the fuller attainment of the objects and purposes named in Section 1 of the findings herein.

That such in-put wells as may be necessary to be selected from time to time should be submitted by the Operators' Committee to the Commission for approval administratively without the calling of a formal hearing therefor.

6. That sixty percent of the allowable to the proration units upon which are situated the in-put wells should be redistributed to all the other proration units within the committed area capable of producing such additional oil without waste.

7. That the proration units within the committed area should not exceed the production of 44 barrels of oil daily if the current allowable in the future exceeds said amount; subject, however, to the proviso set out in Section VII of the order herein. Such petition should be considered by the Commission administratively without further notice and formal hearing.

IT IS THEREFORE ORDERED:

I. That this project shall hereafter be known as the Maljamar Cooperative Repressuring Agreement.

II. That the cooperative area referred to in Section 2 of the findings herein consists of the following tracts: Sections 14 to 23 inclusive, and Sections 26 to 35, inclusive, in Twp. 17S. Rge. 32E., N.M.P.M., Lea County, New Mexico.

The committed area referred to in Section 2 of the findings herein is described as follows:

The E $\frac{1}{2}$ Sec. 14; E $\frac{1}{2}$ Sec. 16; all Sec. 17, 18, 19, 20, 21, 22, 27, 28, 29 and 30.
The N $\frac{1}{2}$, N $\frac{1}{2}$ SE $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, S $\frac{1}{2}$ SW $\frac{1}{4}$ Sec. 23;
S $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ Sec. 26; N $\frac{1}{2}$, W $\frac{1}{2}$ SE $\frac{1}{4}$, Sec. 31;
N $\frac{1}{2}$, SE $\frac{1}{4}$ Sec. 33; NE $\frac{1}{4}$, W $\frac{1}{2}$ NW $\frac{1}{4}$ Sec. 34; W $\frac{1}{2}$ Sec. 35, all in Twp. 17S. Rge. 32E., N.M.P.M.

As the committed area within the boundaries of the cooperative area is enlarged as in Section 2 of the findings herein, the Operators' Committee shall notify the Commission promptly in writing as to such enlarged committed area named subject to the approval of the Commission administratively without further notice and formal hearing; provided, however, that any extension of the cooperative area and of the committed area beyond the limits of the cooperative area as set out in Section II of the order herein shall be upon formal petition, notice and hearing as provided by law.

III. There shall be no unitization of oil but the gas shall be utilized in the manner set out in Section 3 of the findings herein.

IV. That the management of said project shall be by the Operators' Committee as set out in Section 4 of the findings herein. Any change of membership of said Operators' Committee should be transmitted promptly in writing to the Commission.

V. That the in-put wells referred to in Section 5 of the findings herein are hereby authorized for use as such and are more particularly described as follows:

Maljamar Oil & Gas Corp.	Wm. Mitchell	B-12	SW $\frac{1}{4}$ SE $\frac{1}{4}$	Sec. 19 - 17S-32E
"	"	B-4	SW $\frac{1}{4}$ SE $\frac{1}{4}$	" 20 " "
"	"	A-8	SW $\frac{1}{4}$ NW $\frac{1}{4}$	" 20 " "
"	"	A-8	SW $\frac{1}{4}$ NW $\frac{1}{4}$	" 21 " "
"	Baish	A-1	NE $\frac{1}{4}$ NE $\frac{1}{4}$	" 21 " "
"	"	B-6	SW $\frac{1}{4}$ SE $\frac{1}{4}$	" 21 " "
Carper Drilling Company	Simon	4-N	SW $\frac{1}{4}$ NW $\frac{1}{4}$	" 29 " "
"	Simon	8-N	SW $\frac{1}{4}$ SE $\frac{1}{4}$	" 29 " "
Kewanee Oil Company		B-15	SW $\frac{1}{4}$ NW $\frac{1}{4}$	" 28 " "
"	"	B-29	SW $\frac{1}{4}$ SE $\frac{1}{4}$	" 28 " "
"	"	B-9	SW $\frac{1}{4}$ NW $\frac{1}{4}$	" 27 " "
"	"	B-11	SW $\frac{1}{4}$ SE $\frac{1}{4}$	" 27 " "
Barney Cockburn	Miller	A-6	SW $\frac{1}{4}$ NW $\frac{1}{4}$	" 26 " "

The selection of other in-put wells within the area committed and for the further area to be committed within the cooperative area described in Section II of the order herein shall be submitted to the Commission for its consideration of approval administratively without further notice and formal hearing thereupon.

VI. That said 13 in-put wells described in Section V of the order herein are hereby assigned the top allowable for one year beginning with the effective date of this order. Thereafter, said in-put wells if further used as such shall have such allowable for such period of time as determined by the Commission administratively; likewise, other in-put wells authorized to be selected as provided in Section V of the order herein shall have such allowable for such period of time as field tests to the Commission may seem advisable.

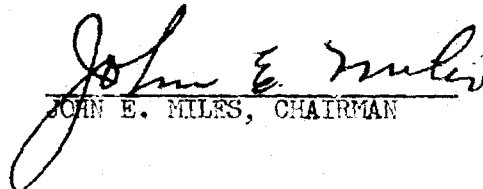
Sixty percent of the allowable lost by in-put wells shall be redistributed to all the other top allowable proration units within the committed area by dividing the above mentioned amount lost through the use of the in-put wells by the number of top allowable producing wells in the committed area and the amount so determined would be added to the regular top allowable for each well. If the operators subject to said agreement do not desire to produce such excess allowable during any month the Operators' Committee would in that event notify the Commission before the allowable for such month is fixed and not later than the 25th day of the month preceding.

VII. That the proration units within the committed area shall not exceed the production of 44 barrels of oil daily should the current allowable in the future exceed that amount; subject, however, to the right of the Operators' Committee to petition the Commission administratively, by the 25th day of the month before the fixing of any monthly allowable, to change or modify such maximum allowable for the committed area.

VIII. That this order shall become effective on the first day of the proration month next succeeding the month in which said Order is adopted.

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

OIL CONSERVATION COMMISSION


JOHN E. MILES, CHAIRMAN

H. R. RODGERS, MEMBER


JOHN D. KELLY, SECRETARY

AFFIDAVIT OF PUBLICATION

State of New Mexico,
County of Lea

Robert L. Summers
Publisher

Of the Hobbs Daily News-Sun, a
daily newspaper published at Hobbs,
New Mexico, do solemnly swear that
the clipping attached hereto was
published once a week in the regular
and entire issue of said paper, and
not in a supplement thereof for a

period of _____

One issue

beginning with the issue dated _____

Oct 1, 19*42*

and ending with the issue dated _____

Robert L. Summers
Publisher.

Sworn and subscribed to before me

this *1st* day of _____

Blanche Young
Notary Public.

My commission expires _____

June 25, 19*46*
(Seal)

This newspaper is duly qualified
to publish legal notices or ad-
vertisements within the mean-
ing of Section 3, Chapter 167,
Laws of 1937, and payment of
fees for said publication has
been made.

(Oct. 1)
**NOTICE FOR PUBLICATION
STATE OF NEW MEXICO
OIL CONSERVATION
COMMISSION**

The Oil Conservation Commis-
sion, by law invested with juris-
diction as the oil and gas regula-
tory body of the State of New
Mexico, hereby gives notice of
the following hearing to be held
at Santa Fe, New Mexico:

CASE NO. 36.

In the matter of the petition
of the Operators' Committee

under Maljamar Cooperative
Repressuring Agreement, with
regard to a certain area within
the Maljamar Field, Lea Coun-
ty, for an order approving the
following, and such other mat-
ters and things incident thereto
as may be required by law to
be approved by the Oil Conser-
vation Commission: Unitization
of gas, selection of key or in-
put wells, manner of computa-
tion and compensation for loss
to proration units upon which
are located key or in-put wells,
and the prohibition of a top al-
lowable exceeding 44 barrels per
proration unit per day. This
case is re-set for 2 o'clock P.
M., October 29, 1942.

Any person having any interest
in the subject of said hearing shall
be entitled to be heard.

The foregoing Notice of Publi-
cation was made pursuant to the
direction of the Commission at its
Executive Meeting September 26,
1942.

Given under the seal of said
Commission at Santa Fe, New
Mexico, on September 28, 1942.

**OIL CONSERVATION
COMMISSION**

By (SGD) JOHN M. KELLY
(SEAL) SECRETARY.

NOTICE FOR PUBLICATION
STATE OF NEW MEXICO
Oil Conservation Commission
The Oil Conservation Commission, by law invested with jurisdiction as the oil and gas regulatory body of the State of New Mexico, hereby gives notice of the following hearing to be held at Santa Fe, New Mexico:

Case No. 38

In the matter of the petition of the Operator's Committee under Maljamar Cooperative Repressuring Agreement, with regard to a certain area within the Maljamar Field, Lea County, for an order approving the following, and such other matters and things incident thereto as may be required by law to be approved by the Oil Conservation Commission: Unitization of gas, selection of key or in-put wells, manner of computation and compensation for loss to proration units upon which are located key or in-put wells, and the prohibition of a top allowable exceeding 44 barrels per proration unit per day. This case is re-set for 2 o'clock P. M., October 29, 1942.

Any person having any interest in the subject of said hearing shall be entitled to be heard.

The foregoing Notice of Publication was made pursuant to the direction of the Commission at its Executive meeting September 26, 1942.

Given under the seal of said Commission at Santa Fe, New Mexico, on September 28, 1942.

**OIL CONSERVATION
COMMISSION**

By (Sgd.) JOHN M. KELLY,
(Secy) Secretary.
Publ. Sept. 29, 1942.

Total \$ 3.84

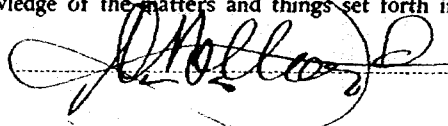
Received payment,

By

Affidavit of Publication

State of New Mexico, }
County of Santa Fe } ss.

I, C. B. Floyd, being first duly sworn, declare and say that I am the (Business Manager) (~~Editor~~) of the Santa Fe New Mexican, a daily newspaper, published in the English Language, and having a general circulation in the City and County of Santa Fe, State of New Mexico, and being a newspaper duly qualified to publish legal notices and advertisements under the provisions of Chapter 167 of the Session Laws of 1937; that the publication, a copy which is hereto attached, was published in said paper once each week for 1 consecutive weeks, and on the same day of each week in the regular issue of the paper during the time of publication, and that the notice was published in the newspaper proper, and not in any supplement, once each week for 1 weeks consecutively, the first publication being on the 29th day of September, 1942, and the last publication on the _____ day of _____, 19____; that payment for said advertisement has been (duly made), or (assessed as court costs); that the undersigned has personal knowledge of the matters and things set forth in this affidavit.


Manager.

Subscribed and sworn to before me, this 30th
day of September, A. D., 1942.

Anna K. Ormsbee
Notary Public.

My Commission expires

June 11, 1948

CASE NO. 36

BEFORE THE OIL CONSERVATION COMMISSION OF THE
STATE OF NEW MEXICO

IN THE MATTER OF THE PETITION OF THE OPERATORS' COMMITTEE UNDER MALJAMAR COOPERATIVE REPRESSURING AGREEMENT, WITH REGARD TO A CERTAIN AREA WITHIN THE MALJAMAR FIELD, LEA COUNTY, FOR AN ORDER APPROVING THE FOLLOWING, AND SUCH OTHER MATTERS AND THINGS INCIDENT THERETO AS MAY BE REQUIRED BY LAW TO BE APPROVED BY THE OIL CONSERVATION COMMISSION: UNITIZATION OF GAS, SELECTION OF KEY OR IN-PUT WELLS, MANNER OF COMPUTATION AND COMPENSATION FOR LOSS TO PRORATION UNITS UPON WHICH ARE LOCATED KEY OR IN-PUT WELLS, AND THE PROHIBITION OF A TOP ALLOWABLE EXCEEDING 44 BARRELS PER PRORATION UNIT PER DAY.

Pursuant to notice by the Commission, duly made and published, setting October 29, 1942, at two o'clock, P. M., for hearing in the above entitled matter, said hearing was convened on said day, at said hour, in the office of the Governor of New Mexico, at Santa Fe, New Mexico, the Commission sitting as follows:

HON. JOHN E. MILES, Governor of New Mexico, Chairman
Hon. JOHN M. KELLY, State Geologist, Secretary
HON. H. R. RODGERS, Commissioner of Public Lands, Member
HON. CARL B. LIVINGSTON, Chief Clerk and Legal Advisor.

APPEARANCES:

<u>Name</u>	<u>Company</u>	<u>Address</u>
Hugh L. Sawyer	New Mexico Oil & Gas Ass'n.	
M. E. Baish	Maljamar O & G.	Artesia, N. M.
Glenn Staley	Proration Office	Hobbs, N. M.
J. O. Seth	Stanolind	Santa Fe, N. M.
R. A. Shugart	Maljamar Cooperative Repressuring Co.	
W. L. Cooper	Plains Prod. Co.	Dallas, Texas
Emery Carper	Maljamar Coop. Repressuring Co.	
Clarence E. Hinkle	do	Atty.
Walter P. Luck	N.M. Asphalt & Rfg. Co.	Artesia, N. M.

The meeting was called to order by the Chairman, who requested the Chief Clerk to read the Call of the meeting, which was read by Mr. Livingston, as follows:

"NOTICE FOR PUBLICATION
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

The Oil Conservation Commission, by law invested with jurisdiction as the oil and gas regulatory body of the State of New Mexico, hereby gives notice of the following hearing to be held at Santa Fe, New Mexico:

Case No. 36

In the matter of the petition of the Operators' Committee under Maljamar Cooperative Repressuring Agreement, with regard to a certain area within the Maljamar Field, Lea County, for an order approving the following, and such other matters and things incident thereto as may be required by law to be approved by the Oil Conservation Commission: Unitization of gas, selection of key or in-put wells, manner of computation and compensation for loss to proration units upon which are located key or in-put wells, and the prohibition of a top allowable exceeding 44 barrels per proration unit per day. This case is re-set for 2 o'clock P.M., October 29, 1942.

Any person having any interest in the subject of said hearing shall be entitled to be heard.

The foregoing Notice of Publication was made pursuant to the direction of the Commission at its Executive Meeting September 26, 1942.

Given under the seal of said Commission at Santa Fe, New Mexico, on September 28, 1942.

OIL CONSERVATION COMMISSION

BY (SGD) JOHN M. KELLY
SECRETARY."

BY MR. LIVINGSTON: The Commission is now ready to proceed upon Case No. 36.

BY MR. CLARENCE HINKLE, Attorney representing Maljamar Cooperative Repressuring Agreement: Before introducing testimony, I would like to make a brief statement, under the assumption that the Commission has not familiarized itself with the details of this petition.

This is a petition by the Operators Committee, elected under the Maljamar Repressuring Agreement to have this Commission approve certain phases of operation,- first, to show its operation is designed to prevent waste, and interested in

the conservation of oil, and designed to produce the greatest ultimate recovery of oil from the Maljamar Field.

In connection with the repressuring agreement, it has been necessary to select certain key or in-put wells for the purpose of putting gas back into the formation, and it is the desire of this Committee that this Commission approve those key wells.

As stated in the notice of hearing, the Operators Committee also desires to compensate the owners of the key wells for the loss of production, and the formula is presented to the Commission as set forth in the petition.

They also propose to have the Commission fix the top allowable for the Maljamar Field at 44 barrels. We would like to have that in case conditions change, if it should ever be greater than 44 barrels.

I would like to introduce in evidence, as Exhibit A, copy of the Maljamar Cooperative Repressuring Agreement, entered into August 5, 1941, between the Maljamar Oil & Gas Corporation, Emery Carper and wife, and the various members of the Carper Drilling Company, a co-partnership; and Barney Cockburn and wife, Johnney Cockburn and wife, A. T. Woods, R. W. Fair and wife, and R. W. Fair and Mattie Fair, Trustees of the Fair Foundation.

At that time those parties were the parties who came into the original agreement. Since that time Mr. Cockburn sold a part of his acreage, and the buyers are now committed to the agreement, the same as Barney is, the Kewanee Oil Co.

Pursuant to that agreement, the following were elected to constitute the Operators Committee, which manages the affairs. They are Emery Carper, of Artesia, representing the Carper Drilling Company; M. E. Baish, of Artesia, representing the Maljamar Oil & Gas Company; J. B. Steele, representing the Kewanee Oil Co.; and Barney Cockburn, representing himself, the Fair Oil Company and the Fair Foundation and Johnney Cockburn, and J. B. Shaw representing E. G. Woods.

I would also like to introduce in evidence at this time

a map, marked "Exhibit B". This is a map of the Maljamar oil and gas field, and the wells circled in red represent the wells selected by the Operators Committee as key wells, and the selection of those wells is one of the things we are asking the Commission to approve at this hearing.

Now, I would like permission at this time to substitute in the petition, which has been filed, pages 7 and 8. The only change is this: (Reading changed paragraph).

There was a hearing set for this matter last month, and we were up here and discussed this matter informally with Mr. Kelly, and it was decided the Operators Committee might not want to take the excess allowable, and we thought it advisable that a statement of this kind be inserted in the petition, so that if they didn't want to take the excess allowable they could notify the Commission, so at this time I would like to ask permission to substitute in the original petition pages 7 and 8.

RALPH A. SHUGART,

being called as a witness on behalf of the petitioners, and being first duly sworn to tell the truth, the whole truth, and nothing but the truth, was examined by Mr. Hinkle, and testified as follows:

DIRECT EXAMINATION

Q Your name is Ralph A. Shugart?

A Yes, sir.

Q You hold a position with the Maljamar Cooperative Repressuring Committee?

A Yes, sir, I am Secretary.

Q Are you familiar with the beginning of the operation which led to the organisation of this repressuring program?

A I am.

Q What, if any, effort was made to find out the feasibility of this repressuring operation?

A In the beginning there was quite a quantity of gas every operator knew was being wasted. We didn't know just how much. In the first place, we had a distillate of this gas made. That distillate showed it contained about a gallon and a half of products, natural gasoline and butane which could be sold. Then each in the immediate area, the Maljamar, Barney Cockburn, the Carper Drilling Company and Mr. Woods, formed a little pot and hired an engineer.

Q Who was the engineer?

A Mr. Cable. To see whether or not it would be a good proposition he made a survey of the field and took the necessary tests and outlined the general area that should be included. He made that report on March 7, 1941. It was a favorable report, and he estimated the amount of gas that would be available from the wells then drilled and producing, which amounted to 120 wells. Then he also made a statement in his report, - I will read from the report:

"From the result of this survey we are convinced that repressuring would increase the ultimate recovery, and **** from the seven to twelve million barrels of oil, there will be produced, in excess of the normal expected recovery from twelve to fourteen million barrels from the producing area. In addition, the flowing life of the wells will be considerably extended by starting repressuring immediately."

Immediately after the survey and the filing of this report, we called in several engineers to see about the cost of construction of a natural gasoline and butane plant.

In the first place, we made the necessary application to the Department of the Interior for permission to unitize the gas in this area, and we filed that petition or agreement.

Q That was not a final agreement?

A No, it was a tentative agreement.

Q With the Secretary of the Interior?

A Yes, that was filed with them, and then we called for bids on construction.

Q Did you go ahead and get the agreement signed?

A Yes, we went ahead after discussions with the Department. That outlined what the area, what the location would be.

Q That is the agreement introduced as Exhibit A?

A That is right. That was approved on the 29th day of September, 1941. It was approved by Harold L. Ickes, Secretary of the Interior.

Q Did you organize your committee pursuant to that agreement?

A We did.

Q What steps did you take after that?

A That led to the contract with the Frick-Weid Supply Corporation for the construction of the plant and necessary lines.

Q And the estimated cost was how much?

A \$236,000.00, but the lines were in addition outside the plant.

Q That made a total contemplated cost of how much?

A We thought \$400,000.00 would cover it, but it ran to an actual expenditure of \$462,000.00.

BY THE GOVERNOR: What pipe lines was that?

A The gathering lines and system.

BY MR. HINKLE:

Q Has the plant been actually constructed?

A Yes, the plant was constructed and started operation the 10th day of April, 1942.

Q Explain briefly to the members of the Commission, first, how the oil properties are operated?

A Each individual operator has his own leases, and they operate the oil just as they always have, individually, and according to the agreement, all the gas produced from all the wells, and it does not make any difference whether they are A or B leases, - the royalty rate is the same, the gas is taken as produced, - the operators, under the agreement, furnishes the gas produced, - the agreement takes the gas at the well, takes it into the plant, pressures it through the plant, takes out the natural gasoline and butane, and forces the residue, or as much of it as he sees fit, back down into the ground, through the pressure

Before we constructed the plant, or while it was being constructed, we had exhaustive engineering reports made so we could intelligently determine where the structure was.

Q In other words, the gas is taken out of the lease, the gasoline extracted, and put back through the key wells into the formation?

A And that maintains the pressure on the sands, and extends, or holds the pressure there, and you can obtain more oil eventually.

Q You mentioned you had a thorough engineering investigation. Was that in connection with the selection of key wells?

A Yes, it was.

Q Were you present at any of the meetings where it was agreed on which should be the key wells?

A I was present at all the meetings.

Q In what manner were they selected?

A From the data and information actually obtained by the engineers on the wells in the area and the general structure. They picked thirteen wells in the area that were drilled to a depth so that all the sands which showed up, by analyzing the cuts on all wells by the *sondarg?* electric log on sands in the production horizon, to be in that well.

Q What engineer did you use in making that study?

A A United States Geological Survey engineer superintended the work, with men in their office, hired by us to do the detail work. It was from the Engineering data of the United States Geological Survey.

Q What other engineers assisted?

A The engineer from the Kewanee Oil Company.

Q What is his name?

A Baker.

Q Do you have with you a cross section map made by these engineers?

A I have two cross sections to show, - there are 36 maps altogether.

Q Will you get these maps? (Witness produces maps)

A Here is the index map, right here, to all of it. This is the geologic structure. These are the wells that were tested.

Q What are the circles in red?

A The circles in red are the wells that we have this information on.

Q This is supposed to be a cross section through the field (Indicating one of the maps displayed)

A Each one of the wells -- this is Bash 7A, and it is right there (Indicating on another map). This is a log on that well; that was a shallow well, so it could not be a key well, 2300 feet. Bash 13A, this well right here (indicating); there is a log on that well, it goes down to the depth. In this the geologic survey showed nine different producing horizons. Here is No. 1, No. 2, No. 3, No. 4, No. 5, No. 6, No. 7, No. 8, No. 9. To be a key well it had to take in all of these things. Nother thing on this map, this business right here (Indicating); that is an electrical log; what an electrical log is, the is the cuttings from the samples themselves, then they run the electrical log.

Q That electrical log indicates the porosity in the formation?

BY MR. KELLY: The porosity and permeability.

A This first one is this line of wells here (Indicating). The first one under the P -- I have one that takes in most of the wells. I will pick the key wells. This area here (indicating another map),- here is the same map showing the key wells.

Q Each one of these circles is a key well?

A Each one of the circles is a key well. There is 9000 feet of 2-inch pipe. That takes the gas from the plant and puts it down this well,- the residue gas. We picked all those from the engineering data we had on this. Look down and see the number on the second map.

BY MR. KELLY: It is P.

A Alright, that is this line of wells right there,- 4-B, all Kewanee,- Kewanee 4-B in Section 28,-- Take this one, right across -- that takes in all wells,- right across here. We have all these other maps (indicating a roll of maps). These show you men what the engineering data is which we had, and

Mr. Barney Cockburn and Mr. Baker studied the maps and outlined these wells that we should use, and we adopted those.

Q All key wells were chosen so that you could repressure?

A Yes, sir. In this area, that takes in all different zones in the Maljamar Field, a total of nine zones that produce.

BY MR. KELLY: You are not repressuring the upper zone?

A No, that is cased off.

BY MR. KELLY: Just the eight lower zones?

A No, six. The red sand is cased off.

This preliminary work was all done before the selection of the key wells, and from this engineering data is where we selected the key wells.

(Witness here produces another map) This is the master map, and this map shows the data on all wells -- this is top production -- shows each one of the zones in all wells producing at this time. Since this time we have drilled thirty wells.

BY MR. KELLY: Will you introduce a copy of that?

BY MR. HINKLE: Would you like to have that?

BY MR. KELLY: We would like to have the master map.

BY THE WITNESS: I will get you an original.

BY MR. HINKLE: May we send it up?

BY MR. KELLY: In order that we may keep track of the input wells.

BY THE WITNESS: I will put the input wells in red on the copy I send up.

BY MR. HINKLE:

Q Mr. Shugart, do you contemplate any additional key wells or in-put wells?

A Well, from time to time, as conditions and as information develops in connection with them, yes.

Q Is there any limitation -- any reason why no additional key wells have been selected?

A Yes, sir, for the reason that we cannot buy additional equipment for the present. It is expected, before the field all develops, we will have to have an 800-horse power compressor, but with war conditions we cannot buy it. We did, at the time

we constructed the plant, put in foundations for three compressors, but we could not buy it.

Q Assuming that at some future time you can buy additional equipment, it will be necessary to select additional key wells?

A That is right.

Q What were these thirteen key wells -- by the way, the thirteen wells are specifically described in the petition, so I take it, it is not necessary to introduce a definite description -- what were the wells capable of producing at the time of selection?

A They were all top allowable wells. That is, we built up a proration allowable sheet on all wells in the field, including the key wells, and at the time we started the plant they were all top allowable wells.

Q At the time of selecting them and putting them in use, they were top allowable wells?

A They were top allowable wells.

In this connection, at the time of selecting the key wells they also stated the allowable produced by any one producing company should not exceed the limit of 44 barrels.

Q At that time the top allowable was 44 barrels?

A Yes, sir.

Q State to the Commission how the Operators Committee proposes to compensate the owners of the key wells for the loss of production as in-put wells, - how they figured?

A I will read just what was adopted at the meeting: (reading)

"Sixty percent of 44 barrels top allowable would equal 26.40 barrels, this being the net loss in production per day for each key well and multiplying this by the average field price for 36 gravity crude of \$1.04 -- "

I might explain that taking the royalty into consideration, and other costs, sixty per cent would be all the producer would lose. "And multiplying this by the average field price for 36-gravity crude of \$1.04 per barrel would make a net loss in dollars and cents to the producer for each key

well furnished of \$27.46. This amount multiplied by 13, the number of key wells, equals \$356.99 per day which amount is to be paid to the producers furnishing the key wells and shall be prorated to each producer within the repressuring area on the percentage which his total pipe line oil bears to the total pipe line oil of the entire field. The producers would give their checks to the Maljamar Cooperative Repressuring Agreement for their percentage for the lost production on key wells and the Maljamar Repressuring Agreement would in turn pay to the producers furnishing the key wells their prorata part of said amount."

Q That, in effect, is an example of just how it would work out practically?

A That is right.

Q You do not mean it would be sixty per cent --

A Of whatever the wells were capable of producing.

Q Or by any method you might determine, from time to time, of what they were capable of producing?

A That is right.

Q This sixty per cent is then allocated to the producing wells in the field capable of making top allowable, and the proceeds would be paid to the Operators Committee, and the Operators Committee allocates that to the owners of the key wells on a percentage basis?

A That is right.

BY MR. KELLY: It would be thirteen times sixty per cent of the present allowable of top wells.

BY MR. LIVINGSTON: The current allowable, and would change from month to month?

BY MR. HINKLE: Changes with the top allowable.

Q Do you know, Mr. Shugart, whether it is the intention of the Operators Committee to follow this formula each month and ask for additional allowable based upon the same, or whether they simply desire the option to notify the Commission of their intention to take the top allowable?

A It is my understanding they want to notify the Commission in regard to additional allowable?

BY MR. KELLY: If the Commission grants additional oil, the operators, at their option, may take it, and the operators will notify the Commission by the 25th day of the preceding month?

BY MR. HINKLE: Yes, so that if --

BY MR. RODGERS: What would you do if some owner wanted to take that?

BY MR. HINKLE: All the key wells are on government land.

A That is not material then.

BY MR. KELLY: There are over-rides on them?

BY MR. HINKLE: Yes, that will have to satisfy them.

BY MR. KELLY: At their option, if they don't take this, the operators will have to put the money up, in cash.

BY MR. HINKLE:

Q Mr. Shugart, state whether or not there has been any resolution passed by the Operators Committee with respect to the desirability of fixing a top allowable for the Maljamar Field?

A Yes, that has been discussed.

Q What was the consensus of opinion?

A The Committee thought perhaps an allowable of 35 barrels is about what it should be. They did not go on record as saying that, but they thought if it was thirty-five barrels that would be about right, but they did not ask that.

Q In the petition we have requested the Commission to fix the top allowable at 44 barrels.

A Yes, the 44 barrels --

BY MR. KELLY: Not to exceed 44 barrels?

A That is right.

BY MR. HINKLE: It is stated in the petition that they reserve the right to notify the Commission, before they fix the allowable, if it should ever be greater than 44 barrels, - they would have the privilege of notifying the Commission whether they desired to take that.

Q Mr. Shugart, I believe you stated the plant has been operating since April 1st, this year?

A April 10th.

Q Have you any information to show that any definite results have been obtained?

A Yes, sir, I have. Since operations started we have run through the plant 528,000,000 feet of gas,- an average of 3,000,000 feet a day. We have returned out of that amount to the ground 404,000,000 cubic feet. Then we have a general idea from the bottom hole pressure -- here is a map (producing a map). That is the bottom hole pressure run in January, 1942, showing the low pressure areas. This was run by the Engineering Committee.

Q Explain where the low pressure areas are?

A The ones colored in pink. The pink are up to 500 pounds. This (indicating) is 500 to 1000 pounds; this is 1000 to 1350 pounds.

BY MR. KELLY: The maximum is 1350 pounds?

A Yes, sir. This was January. We did not start until April. We had a test run in September. These areas went down, in some instances,- with the production of 500,000 barrels of oil from April, these pressures had not fallen off the normal amount. This spot (indicating) went down -- we didn't have this well hooked up. It shows definitely we need this well, on this side of the structure. This area in here (indicating),- see how that has come out, and this area in here. Keep in mind from January, 1942, until April, we were just flowing the gas on out in the air; that is over 3,000,000 feet a day.

BY MR. KELLY: Approximately what was the average pressure for these two dates?

A The average pressure drop between the surveys, per barrel, was .65 pounds per 1,000. Here is the average,- you read it.

BY MR. KELLY: The average pressure was 1019 on the second survey, a decrease from 1350. But your plant only operated half of that time?

A We produced 547,000 barrels during the time while the plant

operated, but prior to that time we produced more than that, with the gas going up in the air, and we know by experience that was over 3,000,000 feet a day.

BY MR. HINKLE:

Q I take it that shows a definite benefit the short time it has been in operation?

A That is right.

Q This gas is now being put back into the ground?

A Yes, after taking out the natural gasoline and butane.

Q Prior to the operation of the plant was that done?

A No, no, it was all wasted.

BY MR. KELLY: Popped to the air?

A Popped to the air.

BY MR. HINKLE:

Q Do you know of anything else that you think would be interesting?

A We might just say the plant operation is being paid, the total expense, by the sale of natural gasoline and butane taken off the gas before putting it in the ground.

Q That was all lost before that?

A That was all lost before that.

BY MR. KELLY: To apply against the principal?

A That is right.

BY MR. HINKLE: I believe, unless the Commission has some questions they desire to ask, that is all. We have Mr. Baish and Emery Carper here, both members of the Operators Committee, and we will be glad to have them testify, if the Commission desires.

BY MR. KELLY: The actual oil is being produced and sold in the same manner as prior to this Agreement? Every operator exercises his right to produce his oil?

A That is right.

BY MR. KELLY: Within the allowable set?

A That is right.

BY MR. KELLY: Is there any clause in the agreement that would force the operators to unitize the oil?

A No, sir.

BY MR. KELLY: You tried, under the agreement, to keep the operation of the oil the same as before building the plant?

A That is right. They have unitization of oil.

BY MR. KELLY: By "unitization" you mean that all gas goes to the central plant, and from the revenue the individual operator is assigned his share?

A His proportion after the expenses of operation are prorated back to his investment in the plant, on the basis of crude oil.

Witness dismissed.

BY MR. EMERY CARPER: There is one point regarding our request for top allowable,- our present capacity is not sufficient to handle gas if we were running more oil. We would be producing lots of gas which would be wasted.

BY MR. KELLY: This would defeat the purpose of the plant?

BY MR. CARPER: It would defeat the purpose of the plant. I think that is well worth considering until such time as we do get more compressors.

BY MR. BAISH: You asked if we have noticed any benefit around No. 1 well offset. We not only stopped the decline, but increased the pressure about 150 pounds.

BY MR. KELLY: That was a sub-normal pressure area?

BY MR. BAISH: Yes, and now that is stopped and built up about 150 pounds.

BY MR. KELLY: We will notify the Operators Committee that we will act favorably as soon as we can draw up a suitable order.

I believe the Commission will agree with me that the testimony presented was presented in a very workmanlike manner, and about as good as we have had. Thank you for the saving of time.

C E R T I F I C A T E

I hereby certify that the foregoing and attached fifteen pages of typewritten matter are a true, correct and complete transcript of the shorthand notes taken by me on October 29, 1942, in Case No. 36, before the Oil Conservation Commission of New Mexico, and by me extended into typewriting.

Witness my hand this 2nd day of November, 1942.


Esther Barton

NOTICE FOR PUBLICATION
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

The Oil Conservation Commission, by law invested with jurisdiction as the oil and gas regulatory body of the State of New Mexico, hereby gives notice of the following hearing to be held at Santa Fe, New Mexico:

Case No. 36

In the matter of the petition of the Operators' Committee under Maljamar Cooperative Repressuring Agreement, with regard to a certain area within the Maljamar Field, Lea County, for an order approving the following, and such other matters and things incident thereto as may be required by law to be approved by the Oil Conservation Commission: Unitization of gas, selection of key or in-put wells, manner of computation and compensation for loss to proration units upon which are located key or in-put wells, and the prohibition of a top allowable exceeding 44 barrels per proration unit per day. This case is re-set for 2 o'clock P.M., October 29, 1942.

Any person having any interest in the subject of said hearing shall be entitled to be heard.

The foregoing Notice of Publication was made pursuant to the direction of the Commission at its Executive Meeting September 26, 1942.

Given under the seal of said Commission at Santa Fe, New Mexico, on September 28, 1942.

OIL CONSERVATION COMMISSION

BY (SGD) JOHN M. KELLY
SECRETARY

SEAL

NOTICE FOR PUBLICATION
STATE OF NEW MEXICO
Oil Conservation Commission
The Oil Conservation Commission, by law invested with jurisdiction as the oil and gas regulatory body of the State of New Mexico, hereby gives notice of the following hearing to be held at the Capitol, Santa Fe, New Mexico:

Case No. 36

In the matter of the petition of the Operators' Committee under Maljamar Cooperative Re-pressuring Agreement, with regard to a certain area within the Maljamar Field, Lea County, for an order approving the following, and such other matters and things incident thereto as may be required by law to be approved by the Oil Conservation Commission: Utilization of gas, selection of key or in-put wells, manner of computation and compensation for loss to proration units upon which are located key or in-put wells, and the prohibition of a top allowable exceeding 44 barrels per proration unit per day. This case is set for 2 o'clock P. M., September 25, 1942.

Any person having any interest in the subject of said hearing shall be entitled to be heard.

The foregoing Notice of Publication was made pursuant to the direction of the Commission at its Executive Meeting August 23, 1942.

Given under the seal of said Commission at Santa Fe, New Mexico, on September 2, 1942.

**OIL CONSERVATION
COMMISSION.**

By (Sgd.) JOHN M. KELLY,
(Seal) Secretary.
Publ. Sept. 4, 1942

.68

Tax \$.....

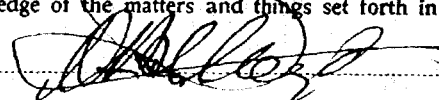
Total \$ 3.68

Received payment,
.....
By.....

Affidavit of Publication

State of New Mexico, }
County of Santa Fe } ss.

I, C. B. Floyd, being first duly sworn, declare and say that I am the (Business Manager) (~~Editor~~) of the Santa Fe New Mexican, a daily newspaper, published in the English Language, and having a general circulation in the City and County of Santa Fe, State of New Mexico, and being a newspaper duly qualified to publish legal notices and advertisements under the provisions of Chapter 167 of the Session Laws of 1937; that the publication, a copy which is hereto attached, was published in said paper once each week for 1 consecutive weeks, and on the same day of each week in the regular issue of the paper during the time of publication, and that the notice was published in the newspaper proper, and not in any supplement, once each week for 1 weeks consecutively, the first publication being on the 4th day of September, 1942, and the last publication on the _____ day of _____, 19____; that payment for said advertisement has been (duly made), or (assessed as court costs); that the undersigned has personal knowledge of the matters and things set forth in this affidavit.



Manager.

Subscribed and sworn to before me, this 9th
day of September, A. D., 1942

Anna K Ormable

Notary Public.

My Commission expires

June 11, 1945

AFFIDAVIT OF PUBLICATION

State of New Mexico,
County of Lea

Robert L. Sumner
Publisher

Of the Hobbs Daily News-Sun, a
daily newspaper published at Hobbs,
New Mexico, do solemnly swear that
the clipping attached hereto was
published once a week in the regular
and entire issue of said paper, and
not in a supplement thereof for a

period of One year weeks.

beginning with the issue dated Sept 7, 1942

and ending with the issue dated _____, 1942

Robert L. Sumner
Publisher.

Sworn and subscribed to before me

this 7th day of Sept., 1942
Blanche J. Jumper
Notary Public.

My commission expires June 15, 1946
(Seal)

This newspaper is duly qualified
to publish legal notices or ad-
vertisements within the mean-
ing of Section 3, Chapter 187,
Laws of 1937, and payment of
fees for said publication has
been made.

(Sept 7) NOTICE FOR PUBLICATION STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

The Oil Conservation Commis-
sion, by law invested with juris-
diction as the oil and gas regu-
latory body of the State of New
Mexico, hereby gives notices of
the following hearing to be held
at the Capitol, Santa Fe, New
Mexico:

Case No. 36

In the matter of the petition
of the Operators' Committee un-
der Maljamar Cooperative Re-
pressuring Agreement, with re-
gard to a certain area within
the Maljamar Field, Lea Coun-
ty, for an order approving the
following, and such other mat-
ters and things incident thereto
as may be required by law to
be approved by the Oil Con-
servation Commission: Unitiza-
tion of gas, selection of key or
in-put wells, manner of compu-
tation and compensation for loss
to proration units upon which
are located key or in-put wells,
and the prohibition of a top al-
lowable exceeding 44 barrels per
proration unit per day. This
case is set for 2 o'clock P. M.,
September 25, 1942.

Any person having any interest
in the subject of said hearing
shall be entitled to be heard.

The foregoing Notice of Publi-
cation was made pursuant to the
direction of the Commission at its
Executive Meeting August 28,
1942.

Given under the seal of said
Commission at Santa Fe, New
Mexico, on September 2, 1942.

OIL CONSERVATION
COMMISSION

By (Sgd.) JOHN M. KELLY
SECRETARY

(SEAL)

NOTICE FOR PUBLICATION
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

The Oil Conservation Commission, by law invested with jurisdiction as the oil and gas regulatory body of the State of New Mexico, hereby gives notice of the following hearing to be held at the Capitol, Santa Fe, New Mexico:

Case No. 36

In the matter of the petition of the Operators' Committee under Maljamar Cooperative Repressuring Agreement, with regard to a certain area within the Maljamar Field, Lea County, for an order approving the following, and such other matters and things incident thereto as may be required by law to be approved by the Oil Conservation Commission: Unitization of gas, selection of key or in-put wells, manner of computation and compensation for loss to proration units upon which are located key or in-put wells, and the prohibition of a top allowable exceeding 44 barrels per proration unit per day. This case is set for 2 o'clock P.M., September 25, 1942.

Any person having any interest in the subject of said hearing shall be entitled to be heard.

The foregoing Notice of Publication was made pursuant to the direction of the Commission at its Executive Meeting August 28, 1942.

Given under the seal of said Commission at Santa Fe, New Mexico, on September 2, 1942.

OIL CONSERVATION COMMISSION

BY (S&D)

JOHN M. KELLY
SECRETARY

SEAL

J. M. HERVEY
HIRAM M. DOW
CURTIS HILL
CLARENCE E. HINKLE

LAW OFFICES
HERVEY, DOW, HILL & HINKLE
ROSWELL, NEW MEXICO
August 26, 1942

via air mail

Mr. Carl B. Livingston
State Land Office
Santa Fe, New Mexico

Re: Petition of Operators'
Committee under Maljamar
Cooperative Repressuring
Agreement.

Dear Carl:

We hand you herewith original and copy of re-draft of Page 8 of the Petition which we forwarded to you in connection with the above matter.

The re-draft of Page 8 was for the purpose of changing Paragraph 3, so as to add the words suggested in your letter of August 21. We would appreciate your substituting these pages in the original and copy forwarded to you.

To avoid re-execution of the Petition, you are hereby authorized to insert at the end of Paragraph 4 of Page 9, the following:

"provided such modifying does not exceed the market demand set as allowable by the Oil Conservation Commission."

Thanking you for your suggestions in this matter, and with kindest regards, we are

Yours very truly,

HERVEY, DOW, HILL & HINKLE

By 

CEH/c
encs.

OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

P. O. Box 371

AIRMAIL
SPECIAL DELIVERY

August 21, 1942

C
Honorable Clarence E. Hinkle
Harvey, Dow, Hill & Hinkle
Roswell, New Mexico

Re: Petition of Operators' Committee under Maljamar
Cooperative Repressuring Agreement.

My dear Clarence:

O
This is in acknowledgment of the receipt of your letter of August 14 enclosing the petition in the above captioned matter and in acknowledgment of your letter of August 13 enclosing map of the Maljamar Oil Field which you requested to be filed with the petition in question.

P
The petition has been examined. It presents your matter excellently; however, it is suggested that one or two words be changed in view of the fact that the petition is the basis of the order anticipated. These are as follows: Page 3, paragraph 3 reads:

Y
"The manner of computing the loss to the owners of the key, or in-put, wells because of the use of such wells in connection with the pressure maintenance program and the manner of compensating such owners for their loss, as set forth hereinabove."

It is suggested that the following language be used:

"The manner of computing the loss to the units of proration upon which are located the key, or in-put, wells because of the use of such wells in connection with the pressure maintenance program and the manner of compensating such owners for their loss, as set forth hereinabove." (The underlining covers the changed portion.) The reason for the suggested change is because proration is by units and not by wells.

Page 3, paragraph 4 - at the end thereof there should be added matters so that the whole paragraph will then read:

"The fixing of a top allowable for the Maljamar Oil & Gas Field, as outlined hereinabove, subject to the right of the Operators' Committee under the Repressuring Agreement, or any other owner of producing properties in the Maljamar Field not subject to the agreement to petition

OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

Clarence E. Hinkle

-2-

8-21-42

the Commission without further notice of a formal hearing to remove or modify such top allowable, provided such modifying does not exceed the market demand set as allowable by the Oil Conservation Commission."

(The underlining covers the addition to the paragraph.) These matters can be amended by substitution of pages 8 to 9 or, if you desire, they may be amended by interlineation.

Should you attend the Senate Committee Meeting in Artesia on the 25th I will be there and have along your petition.

With kindest regards.

Very truly yours,

Carl B. Livingston
Chief Clerk & Legal Advisor

CBL:ES

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

PETITION OF OPERATORS' COMMITTEE UNDER
MALJAMAR COOPERATIVE REPRESSURING AGREEMENT

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

Comes the Operators' Committee, acting under
and pursuant to the Maljamar Cooperative Repressuring
Agreement hereinafter more particularly referred to, and
respectfully shows:

1. That on August 5, 1941, an agreement was
made and entered into by and between the Maljamar Oil
& Gas Corporation, a Delaware Corporation, with offices
at Artesia, New Mexico; Emery Carper, joined by his
wife, Etta Carper; Grady Booker, joined by his wife,
Nelle Booker; Stanley Carper, joined by his wife, Edna
Carper; Marshall Rowley, joined by his wife, June Rowley;
Glenn W. Booker, joined by his wife, Frances Booker, being
all of the members of the Carper Drilling Company, a co-
partnership of Artesia, New Mexico; Barney Cockburn, joined
by his wife, Zula Cockburn, of Lubbock, Texas; Johnney
Cockburn, joined by his wife, Thelma Cockburn, of Lubbock,
Texas; E. G. Woods, joined by her husband, A. T. Woods,
of Artesia, New Mexico; R. W. Fair, joined by his wife,
Mattie Fair, and R. W. Fair and Mattie Fair, Trustees of
the Fair Foundation, of Tyler, Texas, the same having as its
general objects and purposes, the following:

(a) The erection and maintenance of a repressur-
ing plant and system, for the purpose of using the natural gas

produced from the area subject to the agreement for pressure maintenance, so as to secure the greatest ultimate recovery of oil and gas from such area.

(b) For the erection and maintenance of a natural gasoline plant to be operated in connection with the repressuring plant and system hereinabove referred to.

(c) For the purpose of conducting operations in the area subject to the agreement in such a manner as to provide for the most economical and efficient recovery of oil and gas to the end that the maximum ultimate recovery may be obtained without waste.

That an executed copy of said repressuring agreement has heretofore been filed with the Commissioner, reference to which is hereby made for all pertinent purposes.

2. That the cooperative area subject to the repressuring agreement hereinabove referred to consists of Sections 14 to 23, inclusive, and Sections 26 to 35, inclusive, in Twp. 17 S. Rge. 32 E., N.M.P.M., Lea County, New Mexico.

The lands actually committed to said agreement by the parties thereto are described as follows:

The E $\frac{1}{2}$ Sec. 14; E $\frac{1}{2}$ Sec. 16; all Sec. 17, 18, 19, 20, 21, 22, 27, 28, 29 and 30. The N $\frac{1}{2}$, N $\frac{1}{2}$ SE $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, S $\frac{1}{2}$ SW $\frac{1}{4}$ Sec. 23; S $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ Sec. 26; N $\frac{1}{2}$, W $\frac{1}{2}$ SE $\frac{1}{4}$ Sec. 31; N $\frac{1}{2}$, SE $\frac{1}{4}$ Sec. 33; NE $\frac{1}{4}$, W $\frac{1}{2}$ NW $\frac{1}{4}$ Sec. 34; W $\frac{1}{2}$ Sec. 35, all in Twp. 17 S. Rge. 32 E., N.M.P.M.

All of the above described lands are under oil and gas lease. All of the leases except the lease

covering the E¹/₂ Sec. 16 are issued by the United States under and pursuant to the Act of Congress approved February 25, 1920, and the lease covering the E¹/₂ Sec. 16 was issued by the State of New Mexico, acting by and through its Commissioner of Public Lands, all of said lands being in the area commonly referred to and known as the Maljamar Oil & Gas Field. It is contemplated by said agreement that other lands may be committed to said agreement which adjoin the lands which are already committed, with the consent of the parties to said agreement, and where such lands will be benefited by the pressure maintenance operations.

3. That it is the purpose and intention of said agreement to operate the properties subject thereto, in so far as the oil produced is concerned in the same manner as they were operated prior to entering into said agreement; that is to say, each of the respective owners are to operate their properties individually and the oil is to belong to the lease from which produced, and each operator is to market his or its own oil.

In so far as the natural gas produced from the properties subject to the agreement are concerned, all of such gas except the amount used for development purposes or unavoidably lost is to be delivered to the repressuring plant, and after the extraction of the natural gasoline is to be returned to the formation from which oil is being produced in said field, and to such extent the gas so produced from said lands is to be unitized and is

to be furnished by the respective operators without charge; however, each operator is to account for all gas royalties, which, for the purpose of the federal lands involved, is to be computed on the basis of $3\frac{1}{2}\%$ of the value of the natural gasoline manufactured at the plant, and in so far as the state lands involved are concerned is to be paid on the basis as provided by law.

4. That said repressuring agreement provides for the selection by the parties thereto of a Committee to be known as "The Operators' Committee" for the purpose of carrying out the objects and purposes of the agreement, and for the purpose of operating and maintaining the repressuring plant and system and gasoline plant. That the following representatives of the parties to said agreement have been elected to constitute the Operators' Committee, namely, Emery Carper, Artesia, New Mexico, representing Carper Drilling Company; M. E. Baish, Artesia, New Mexico, representing Maljamar Oil & Gas Corporation; J. B. Steele, representing the Kewanee Oil Company, the latter having acquired its interest from Barney Cockburn after the execution of the repressuring agreement. Barney Cockburn, Lubbock, Texas, representing himself, the Fair Oil Company and Johney Cockburn; J. B. Shaw, representing E. G. Woods.

5. That the Operators' Committee has selected, subject to the approval of the State Oil Conservation Commission, thirteen key or in-put wells which have been selected after careful study by engineers, with a view to

being most effective and properly located to be of the greatest benefit in maintaining the pressure of the field in the repressuring operations. Said wells are shown on the map of the Maljamar Oil Field filed herewith, and are more particularly described as follows, to-wit:

Maljamar Oil & Gas Corp,	Wm. Mitchell	B-12 SW $\frac{1}{4}$ SE $\frac{1}{4}$	Sec. 19
" " " " "	" "	B- 4 SW $\frac{1}{4}$ SE $\frac{1}{4}$	" 20
" " " " "	" "	A- 8 SW $\frac{1}{4}$ NW $\frac{1}{4}$	" 20
" " " " "	Baish	A- 8 SW $\frac{1}{4}$ NW $\frac{1}{4}$	" 21
" " " " "	Baish	A- 1 NE $\frac{1}{4}$ NE $\frac{1}{4}$	" 21
" " " " "	Baish	B- 6 SW $\frac{1}{4}$ SE $\frac{1}{4}$	" 21
Carper Drilling Company	Simon	4- N SW $\frac{1}{4}$ NW $\frac{1}{4}$	" 29
" " " "	Simon	8- N SW $\frac{1}{4}$ SE $\frac{1}{4}$	" 29
Kewanee Oil Company		B-15 SW $\frac{1}{4}$ NW $\frac{1}{4}$	" 23
" " "		B-29 SW $\frac{1}{4}$ SE $\frac{1}{4}$	" 28
" " "		B- 9 SW $\frac{1}{4}$ NW $\frac{1}{4}$	" 27
" " "		B-11 SW $\frac{1}{4}$ SE $\frac{1}{4}$	" 27
Barney Cockburn	Miller	A- 6 SW $\frac{1}{4}$ NW $\frac{1}{4}$	" 26

In addition to the above wells, it is contemplated that other wells will be selected for in-put wells, particularly in the Northeast portion of the area committed to the agreement and in other areas, as the field may be extended, as soon as materials can be obtained to make such extension and additional compressor equipment can be obtained, which are now being held up by reason of the lack of priorities on critical war materials, and it is the desire of the Operators' Committee to also obtain the approval of such additional wells as may be selected from time to time for in-put wells by notice to the Commission without the calling of a formal hearing therefor.

6. That the Operators' Committee proposes, subject to the approval of the State Oil Conservation Commission, to reimburse the owners of the key, or in-put, wells, for loss of production through the selection and use of said

wells for pressure maintenance purposes upon the following basis:

All of the wells selected so far are wells capable of producing the top allowable fixed for the field. The Operators' Committee has determined that the net average loss in production to the owners would be approximately 60% of the allowable production. These wells are to be counted as top allowable wells for a period of one year from the time such wells are put in use, with the right of the Committee to readjust the allowable on any fair and equitable basis, commensurate with conditions existing in the field from year to year, with a view to determining the actual loss of production to the owners of such wells by reason of the use of the same as in-put wells. The Committee / proposes to determine each month the production lost by the owners of the in-put wells by taking 60% of the total number of barrels which the in-put wells would have produced on the basis of the current allowable, or the amount any such well is determined to be capable of producing, if less than the current allowable. The amount so determined would be allocated to the other producing wells in the field capable of making more than the top allowable and which are subject to the repressuring agreement by dividing the above mentioned amount lost through the use of the in-put wells by the number of producing wells in the field which are subject to the repressuring agreement, and the amount so determined would be added to the regular fixed allowable for the respective 40-acre units or wells. The respective

owners producing the amounts so determined in excess of their regular allowable, would pay the average field price for such oil to the Operators' Committee, who, in turn, will allocate the amount received each month to the owners of the in-put wells, according to their percentage of the 60% of the production lost by reason of such wells.) If the Operators subject to said agreement do not desire to produce such excess allowable during any month, and elect to reimburse the owners of such in-put wells on the above mentioned basis out of their allowable production, the Operators' Committee would, in such event, notify the Oil Conservation Commission before the allowable for such month is fixed.

7. All of the parties to the repressuring agreement and the Operators' Committee have expressed a desire that the State Oil Conservation Commission fix a top allowable for the Maljamar Field of not to exceed 44 barrels per day; that is to say, if conditions in the future are such that in fixing the current monthly allowable, the Maljamar Field would ordinarily have an allowable of more than 44 barrels, the allowable of such field, nevertheless, be held to such maximum; subject, however, to the right of the Operators' Committee, or any other owner of producing properties in the Maljamar Field not subject to the Agreement, to petition the State Oil Conservation Commission, within a reasonable time before the fixing of any monthly allowable, to change or modify such maximum allowable for the field, and it is the desire of the Operators' Committee that in such case the matter be determined by the Oil Conservation Commission without further notice of a formal hearing.

WHEREFORE, the undersigned Operators' Committee under the Maljamar Cooperative Repressuring Agreement hereby petitions the Oil Conservation Commission of the State of New Mexico to

Note:

Pp. 7 & 8 are substituted by
leave of Commission at
hearing in this case 10-29-42

call a hearing, as provided by law and the rules and regulations of the Commission, for the purpose of approving the following, and such other matters and things incident thereto as may be required by law to be approved by the Oil Conservation Commission:

1. The unitization of gas produced from the leasehold properties which have been committed to the Maljamar Cooperative Repressuring Agreement, and such other properties as may hereafter be committed to such agreement for the purpose of carrying out the objects and purposes of the repressuring agreement and maintaining the pressure maintenance program in the Maljamar Oil and Gas Field, as outlined hereinabove.

2. The selection of key, or in-put, wells used in connection with the pressure maintenance program as tentatively selected by the Operators' Committee as set forth hereinabove, and the approval of the petition, or petitions, of the Operators' Committee from time to time without further notice of a formal hearing to include such additional key, or in-put wells, as may be necessary or desirable to more effectively and efficiently carry out said pressure maintenance program.

3. The manner of computing the loss to the units of proration upon which are located the key, or in-put, wells because of the use of such wells in connection with the pressure maintenance program and the manner of compensating such owners for their loss, as set forth hereinabove.

4. The fixing of a top allowable for the Maljamar Oil & Gas Field, as outlined hereinabove, subject to the right of the Operators' Committee under the Repressuring Agreement, or any other owner of producing properties in

the Maljamar Field not subject to the agreement to
petition the Commission without further notice of a
formal hearing to remove or modify such top allowable,
provided such modifying does not exceed the market demand set as
allowable by the Oil Conservation Commission.

Respectfully submitted,

OPERATORS COMMITTEE, ACTING
UNDER MALJAMAR COOPERATIVE
REPRESSURING AGREEMENT

By

Emery Carper
Chairman.

ATTEST:

Rashup
Secretary.

HERVEY, DOW, HILL & HINKLE

By

STATE OF NEW MEXICO)
COUNTY OF EDDY)
SS

EMERY CARPER, being first duly sworn upon his
oath states: That he is the Chairman of the Operators'
Committee, acting under and pursuant to the Maljamar
Cooperative Repressuring Agreement of August 5, 1941,
and has been duly authorized by said Committee to execute
the above and foregoing petition for an on behalf of said
Committee, and that he has read said petition and to the
best of his knowledge and belief all of the statements
therein contained are true and correct.

Emery Carper
SUBSCRIBED AND SWORN TO BEFORE ME this the 13TH
day of August, 1942.

Elizabeth L. Seymour
Notary Public.

My commission expires:

May 25, 1946

owners producing the amounts so determined, in excess of their regular allowable, would pay the average field price for such oil to the Operators' Committee, who, in turn, will allocate such amount each month, as received, to the owners of the in-put wells, in the proportion that the number of in-put wells each owner has bears to the total number of such wells.

7. All of the parties to the repressuring agreement and the Operators' Committee have expressed a desire that the State Oil Conservation Commission fix a top allowable for the Maljamar Field of not to exceed 44 barrels per day; that is to say, if conditions in the future are such that in fixing the current monthly allowable, the Maljamar Field would ordinarily have an allowable of more than 44 barrels, the allowable of such field, nevertheless, be held to such maximum; subject, however, to the right of the Operators' Committee, or any other owner of producing properties in the Maljamar Field not subject to the Agreement, to petition the State Oil Conservation Commission, within a reasonable time before the fixing of any monthly allowable, to change or modify such maximum allowable for the field, and it is the desire of the Operators' Committee that in such case the matter be determined by the Oil Conservation Commission without further notice of a formal hearing.

WHEREFORE, the undersigned Operators' Committee under the Maljamar Cooperative Repressuring Agreement hereby petitions the Oil Conservation Commission of the State of New Mexico to call a hearing, as provided by law and the rules and regulations of the Commission, for the purpose of approving the following, and such other matters and things incident

thereto as may be required by law to be approved by the Oil Conservation Commission:

1. The unitization of gas produced from the leasehold properties which have been committed to the Maljamar Cooperative Repressuring Agreement, and such other properties as may hereafter be committed to such agreement for the purpose of carrying out the objects and purposes of the repressuring agreement and maintaining the pressure maintenance program in the Maljamar Oil and Gas Field, as outlined hereinabove.

2. The selection of key, or in-put, wells used in connection with the pressure maintenance program as tentatively selected by the Operators' Committee as set forth hereinabove, and the approval of the petition, or petitions, of the Operators' Committee from time to time without further notice of a formal hearing to include such additional key, or in-put, wells as may be necessary or desirable to more effectively and efficiently carry out said pressure maintenance program.

3. The manner of computing the loss to the units of proration upon which are located the key, or in-put, wells because of the use of such wells in connection with the pressure maintenance program and the manner of compensating such owners for their loss, as set forth hereinabove.

4. The fixing of a top allowable for the Maljamar Oil & Gas Field, as outlined hereinabove, subject to the right of the Operators' Committee under the Repressuring Agreement, or any other owner of producing properties in

RULES AND REGULATIONS OF OPERATORS
COMMITTEE UNDER MALJAMAR COOPERATIVE
REPRESSURING AGREEMENT.

WHEREAS, the Operators Committee was created under and by virtue of Section 4 of the Maljamar Cooperative Repressuring Agreement of August 5, 1941, and said Committee was authorized, among other things, "to adopt rules and regulations for its proper functioning, including the selection of the time and place for holding meetings, the calling thereof and the manner of taking votes on any question;" and

WHEREAS, the following have been duly appointed by the parties to said Cooperative Repressuring Agreement to constitute the members of the Operators Committee until such membership may be changed, as provided by said agreement, to-wit:

Emery Carper	, representing	Carper Drilling Company
M. E. Balsh	, representing	Maljamar Oil & Gas Corp.
M. E. Balsh	, representing	E. G. Woods & husband
Barney Cockburn	, representing	Personal Interests
Barney Cockburn	, representing	Johney Cockburn & wife
Barney Cockburn	, representing	R. W. Fair & wife and R. W. Fair Foundation.

NOW THEREFORE, BE IT RESOLVED BY THE OPERATORS COMMITTEE that the following Rules and Regulations be, and the same are hereby adopted as the Rules and Regulations of the Operators Committee under the Maljamar Cooperative Repressuring Agreement of August 5, 1941.

ARTICLE I.

Section 1: MANAGEMENT: The Operators Committee shall have complete charge and supervision of the planning, coordinating and operation of the repressuring operations upon the cooperative area covered by the Maljamar Cooperative Repressuring Agreement, and where the membership of said Committee constitutes more than three, said Operators Committee shall have the right to appoint annually an "Executive Committee" composed of three members of the Operators Committee. If the Operators Committee shall be composed of only three members, said Committee may perform all of the duties hereinafter set forth of the "Operators Committee" and the "Executive Committee."

ARTICLE II.

Section 1: OFFICERS: The officers shall consist of a Chairman, Vice Chairman and Secretary and Treasurer. The Chairman and Vice Chairman shall be members of the Executive Committee, and shall act in the same capacity as

members of said Executive Committee. The positions of that of Secretary and Treasurer or that of Chairman and Treasurer may be united in one person, and Secretary and Treasurer, if combined in one person, need not be a member of the Operators Committee, but may be a person designated or employed by the Operators Committee to act as such. All of said officers shall be elected by the Operators Committee for one year, and shall hold office until their successors are duly elected or appointed and qualified. Said officers shall be elected by the Operators Committee at their annual meeting. If any vacancy occurs during the year the Operators Committee, by appointment, shall fill the same for the unexpired term. The Operators Committee shall fix the compensation of the officers from year to year.

Section 2: CHAIRMAN: The Chairman shall be the executive officer of the Committee. He shall preside at all meetings of the Operators Committee and all meetings of the Executive Committee; shall have general supervision of the affairs of the Operators Committee and Executive Committee; shall sign all contracts and other instruments which may be authorized by the Operators Committee or Executive Committee, and which may be entered into under and pursuant to the Maljamar Cooperative Repressuring Agreement; shall make reports to the Operators Committee and Executive Committee and at least annually to the parties to the Maljamar Cooperative Repressuring Agreement, and shall perform such other duties as are incident to his office or as may be properly required of him by the Operators Committee.

Section 3: VICE CHAIRMAN: The Vice Chairman shall familiarize himself with the affairs of the Operators Committee and the Executive Committee, and in the absence, disability or refusal to act of the Chairman, shall possess all of the powers and perform all of the duties of that officer.

Section 4: SECRETARY: The secretary shall perform all of the duties pertaining to his office; shall have the custody of the books and records of the Operators Committee and the Executive Committee, and shall keep all minutes of all meetings of said Committees; and shall have full power and authority to certify true and correct copies of any of the minutes or proceedings of said Committees and to do and perform such other acts and things as may be delegated to him by said Committees.

Section 5: TREASURER: The Treasurer shall have the custody of all funds collected or handled under or by virtue of the Maljamar Cooperative Repressuring Agreement, and shall have the right and authority to pay the same out upon orders signed by the Chairman or authorized by the Operators Committee or Executive Committee. The Treasurer shall give such bond as the Operators Committee shall require.

A special account shall be opened by the Treasurer and all funds coming into his hands as such shall be deposited to said account, the same to be carried in such bank as may be designated by the Operators Committee.

ARTICLE III.

Section 1: EXECUTIVE COMMITTEE: The Executive Committee, as constituted herein, shall have full power and authority to do and perform all or any of the following:

(a) To plan and coordinate all repressuring of the cooperative area, subject to the Maljamar Cooperative Repressuring Agreement to the best interest of all of the parties to said agreement, and in accordance with good oil field practices, and to promote the economical and efficient repressuring of the cooperative area to the end that the maximum practicable recovery of the "unitized substances" may be obtained from all parts of the said cooperative area.

(b) To enter into such contract or contracts as may be necessary to carry out any plan for the repressuring of said cooperative area, including the construction of repressuring and gasoline plants, pipe lines and other facilities and the purchase of all equipment and supplies necessary or incident thereto; provided, however, if the Operators Committee consists of more than three members any expenditure in excess of the amount of \$10,000.00 shall be approved by the Operators Committee.

(c) To execute and deliver such mortgage or mortgages or collateral assignments or other instruments as may be necessary to secure the purchase price for the construction of said repressuring plant, gasoline plant and the purchase of other equipment and materials as is contemplated by the Maljamar Cooperative Repressuring Agreement covering said repressuring plant, gasoline plant, equipment and materials and the income from the gasoline plant; provided, however, if the Operators Committee consists of more than three members such mortgage or other security shall be authorized by the Operators Committee, and nothing herein contained shall prevent the Operators Committee from executing and delivering such mortgage or other instruments evidencing such security.

(d) To supervise, manage, operate and control the repressuring plant, gasoline plant and other equipment purchased, installed and operated under the Maljamar Cooperative Repressuring Agreement; to enter into contracts for the purchase of materials and supplies for the operation of said plants and equipment; to employ all necessary employees to operate said plant and equipment and to fix their salaries or compensation, and the Operators Committee may employ a general manager or engineer to have complete supervision and control of such operations and may delegate to such general manager or engineer the right to employ such employees as may be necessary to properly operate and maintain said plants, with the right to fix their compensation within such limits as may be designated by the Executive Committee.

(e) The Executive Committee shall contract for and carry adequate fire, public liability and other insurance in an amount as to said Committee shall be deemed adequate for the protection of the investment in the plant and equipment being operated.

(f) Subject to the rights of the Operators Committee, as granted under the Haljamar Cooperative Repressuring Agreement, to select key wells, control injection volumes, maintain back pressures and abandon and salvage plants and equipment and sell and dispose of surplus materials and equipment.

(g) To enter into contract for the sale and disposal of gasoline and other products manufactured, processed or recovered in the operation of said repressuring and gasoline plants upon such terms and conditions as to said Executive Committee shall seem proper.

(h) Subject to the rights granted to the Operators Committee under the Haljamar Cooperative Repressuring Agreement, the Executive Committee shall have full power and authority to do and perform all acts and things which may be necessary to properly construct, operate and maintain said repressuring and gasoline plants, the same as if said plant and equipment was owned by an individual person.

ARTICLE IV.

Section 1: MEETINGS OF OPERATORS COMMITTEE AND EXECUTIVE COMMITTEE: An annual meeting of the Operators Committee shall be held at 10 o'clock, A. M., on the first Monday in February of each year, at Artesia, New Mexico, or at the office of the Executive Committee, if it be otherwise than as designated herein. Quarterly meetings shall also be held on the first Monday in January, April, July, October of each year and such other meetings as may be called from time to time by the Chairman or Vice Chairman. If the Operators Committee consists of more than three members, the Executive Committee shall meet at the times and places above provided, immediately following the meeting of the Operators Committee, and such other meetings may be held as may be called from time to time by the Chairman and Vice Chairman; provided, however, any party to the Haljamar Cooperative Repressuring Agreement shall be entitled to call a meeting of the Operators Committee at any time.

Written notice of all regular and called meetings shall be mailed by the Secretary by ordinary mail to the members of the Committee, at least five days prior

to the date set for the holding thereof, and no other notice shall be required. Notice of any meeting may be waived in writing by any of the members of said Committees. A majority in number of either the Operators Committee or Executive Committee shall constitute a quorum for the transaction of all business which may be properly brought before any meeting.

ARTICLE V.

Section 1: VOTING AT MEETINGS OF OPERATORS COMMITTEE: Each member of the Operators Committee shall have a vote in the proportion that the number of producing and key wells owned by him, or his principal or principals bear to the total number of producing and key wells in the cooperative area, subject to the Maljamar Cooperative Repressuring Agreement. A vote of the majority percentage interest in said cooperative area shall be binding upon all of the parties to said agreement; provided however, that should the interest of any one of the parties to said agreement be a majority interest the vote of at least one other member of the Operators Committee shall be required in addition to the vote of the representative of such majority interest to bind all of the parties.

Section 2: VOTING AT MEETINGS OF EXECUTIVE COMMITTEE: If the Operators Committee consists of only three members and said committee is also the Executive Committee, as herein provided, voting at all meetings shall be as provided in the preceding section. If the Operators Committee consists of more than three members and an Executive Committee is appointed by said Operators Committee, as provided by the Maljamar Cooperative Repressuring Agreement, each member of said Committee shall be entitled to one vote and the majority vote of the members of said Committee shall be controlling upon any question which may be voted upon by the Executive Committee; provided, however, the minority member shall have the right to appeal such question to the vote of the Operators Committee provided notice of such appeal is given to the Chairman immediately following the vote upon any question and in such event the Chairman shall call a meeting of the Operators Committee as soon as practical thereafter to consider such question and the action taken by the Operators Committee voting as provided in Section 1 hereof shall be final and controlling.

ARTICLE VI.

Section 1: AMENDMENTS: These rules and regulations may be amended by a majority vote of the Operators Committee at any annual meeting or at any regular or special meeting duly called and held as herein provided.