Case No.

185

Application, Transcript,
Small Exhibits, Etc.

NOTICE OF PUBLICATION
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

The State of New Mexico by its Oil Conservation Commission hereby gives notice, pursuant to law, of the following public hearings to be held May 5, 1949, beginning at 10:00 o'clock A.M. on that day in the City of Santa Fe, New Mexico, in the Senate Chambers.

STATE OF NEW MEXICO TO:

All named parties in the following cases, and notice to the public:

Case 176

In the matter of the application of the Oil Conservation Commission upon its own motion to reconsider Order 788 issued in Case No. 146 relating to transportation of crude petroleum, and to amend or restate, such order or any part thereof. (This is a readvertisement of Case 176, heretofore published.)

Case 177

In the matter of the amended application of the Oil Conservation Commission upon its own motion to rescind, revise, change or amend Order No. 573, which became effective as of June 1, 1944 and generally known as the "Bonus Discovery Allowable Order", and to rescind, revise or amend Section 4 of Order 798, effective November 19, 1948, which amends and supercedes previous Statewide Proration Order No. 637.

Case 181

In the matter of the application of the R. Olsen Oil Company for an order authorizing an unorthodox well location for a gas well in the center of SW¼ of Section 11, Township 24 South, Range 36 East, in the Cooper-Jal Pool, Lea County, New Mexico.

Case 182

In the matter of the application of V.S. Welch, Carper Drilling Company and Max W. Coll for an order permitting an unorthodox well location, 1330 feet south of the north line and 1310 feet approximately west of the east line (NW corner SE¼ NE¼) of Section 36, Township 16 South, Range 30 East, N.M.P.M., in the Square Lake Pool, Eddy County, New Mexico.

Case 183

In the matter of the application of Red Lake Oil Company, a co-partnership composed of Nell Gillespie, Van Philip Welch, Jr., Marjorie Nell Welch and Robert

Hill Welch, by V. S. Welch, guardian of Van Philip Welch, Jr., Marjorie Nell Welch and Robert Hill Welch, minors, and manager at Artesia, New Mexico of the Red Lake Oil Company, for an order permitting and approving an unorthodox well location 1687 feet south of the north line and 1580 feet west of the east line of Section 29, in Township 17 South, Range 28 East, N.M.P.M., in the Red Lake Pool, Eddy County, New Mexico.

Case 184

In the matter of the application of Kewanee Oil Company for an order granting permission to drill two "five spot" unorthodox well locations, identified as Well 27-B located 1295 feet north of the south line and 1245 feet west of the east line (SE¼ SE¼) of Section 25, and Well 28-B, located 1295 feet north of the south line and 2615 feet west of the east line (SW¼ SE¼) of Section 25, all in Township 17 South, Range 32 East, N.M.P.M., in the Maljamar Pool, Lea County, New Mexico.

Case 185

In the matter of the application of Buffalo Oil Company for an order granting permission to drill an unorthodox well location designated as Well No. 21-A to be located 25 feet north and 25 feet east of the southwest corner of the NE¼ SW¼ of Section 21 in Township 17 South, Range 32 East, and for permission to plug back Well No. 15-A on the same forty acre tract and produce the same from the Yates sand, said tract being in the Maljamar Pool, Lea County, New Mexico.

Case 186

In the matter of the application of Bassett & Collier for an order granting permission to drill an unorthodox location designated as Well No. 6, Williams Estate Fee, located 990 feet south of the north line and 2623 feet west of the east line of Section 25, Township 18 South, Range 26 East, N.M.P.M., in the Dayton Pool, Eddy County, New Mexico.

Given under the seal of the Oil Conservation Commission of New Mexico, at Santa Fe, New Mexico, on April 21, 1949.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

R. R. Spurrier

R. R. SPURRIER, Secretary

SEAL

Case 185

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

P. O. Box 997
Roswell, New Mexico
September 10, 1948

Case 7

Mr. W. E. Scott
Buffalo Oil Company
Artesia, New Mexico

Lease Las Cruces 029509(a)

Dear Mr. Scott:

Reference is made to an application executed by you on August 31, 1948, which has been filed with the Oil Conservation Commission of New Mexico, for permission to drill an unorthodox well location in sec. 21, T. 17 S., R. 32 E., Maljamar pool, Lea County, New Mexico.

The land involved in the application is embraced in Federal oil and gas lease Las Cruces 029509(a), now operated by Buffalo Oil Company.

The unorthodox well location set forth in the application is 25 feet north and 25 feet west of the southeast corner SW¼NW¼ section 21. The well will be drilled to the Maljamar pay zone to produce oil and gas from said zone. No encroachment of the outer boundaries of the leasehold is involved as the proposed location is more than 330 feet from the lease boundaries. The well location is on the same 40-acre legal subdivision as well No. 8-A, originally completed as a producing oil well but now used as a gas injection well under the Maljamar Cooperative Repressuring Agreement. The application requests permission to produce from the proposed well No. 20-A a daily allowable for the 40-acre proration unit upon which said well is located, in accordance with the Allocation of Production Plan in effect and applicable to leases within the Maljamar Cooperative Repressuring Agreement.

No objection is offered by this office to the drilling of well No. 20-A at the unorthodox location specified in the application. It is the opinion of this office that the drilling of the additional well should be encouraged to afford opportunity for increased ultimate recovery of oil and gas from the Maljamar pay zone.

Approval to drill the additional well at the unorthodox location will be contingent upon approval of such location by the Oil Conservation Commission of the State of New Mexico for proration purposes.

Very truly yours,

Foster Morrell

Foster Morrell,
Supervisor, Oil and Gas Operations.

cc: Mr. Scott

Buffalo Exhibit 1

Ex 1

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

P.O. Box 997
Roswell, New Mexico
April 25, 1949

RECEIVED
APR 26 1949
JOHN E. COCHRAN, Jr.
ATTORNEY-AT-LAW

Mr. John E. Cochran, Jr.
Carper Building
Artesia, New Mexico

Re: Lease Las Cruces 029509(a)

Dear Mr. Cochran:

Reference is made to your letter of April 19 transmitting a copy of an application executed by you as attorney for applicant, Buffalo Oil Company, which you are filing with the New Mexico Oil Conservation Commission for permission to drill Well No. 21-A at an unorthodox location in Sec. 21, T. 17 S., R. 32 E., N.M.P.M., Maljamar Pool, New Mexico. The application also requests permission to plug back and recomplete Well No. 15-A, located in the NE¼SE¼ of said Sec. 21 to the Yates sand at an approximate depth of 2550 feet.

The land in which the proposed well is to be drilled is embraced by Federal oil and gas Lease Las Cruces 029509(a).

The unorthodox well location as described in the application is approximately 25 feet from the common intersection of the boundaries of a 40-acre legal subdivision. No encroachment of the outer boundaries of the leasehold is involved as the proposed location is approximately 1345 feet from the lease boundary.

No objection is offered by this office to the plugging back of Well No. 15-A to the Yates sand or to the drilling of Well No. 21-A at the unorthodox location specified in the application. It is the opinion of this office that the drilling of such additional wells on the leasehold should be encouraged to increase the ultimate recovery of oil and gas from the Maljamar Pool.

Approval to drill the proposed well at the unorthodox location will be contingent upon (1) the approval of such location by the Oil Conservation Commission of the State of New Mexico for proration purposes and (2) the filing of a stipulation in triplicate, executed by the Buffalo Oil Company, wherein it agrees to treat the 40-acre tracts surrounding the well as a single unit for purposes of assignment and that none of the 40-acre tracts involved will be separately assigned until the well has been properly plugged and abandoned.

Very truly yours,

R. E. Canfield

R. E. CANFIELD,
Acting Supervisor, Oil and Gas Operations.

Form 9-331a
(March 1942)

Budget Bureau No. 42-R358.1.
Approval expires 11-30-49.

(SUBMIT IN TRIPLICATE)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Land Office Las Cruces
Lease No. 029509-A
Unit X

SUNDRY NOTICES AND REPORTS ON WELLS

NOTICE OF INTENTION TO DRILL		SUBSEQUENT REPORT OF WATER SHUT-OFF	
NOTICE OF INTENTION TO CHANGE PLANS		SUBSEQUENT REPORT OF SHOOTING OR ACIDIZING	
NOTICE OF INTENTION TO TEST WATER SHUT-OFF		SUBSEQUENT REPORT OF ALTERING CASING	
NOTICE OF INTENTION TO RE-DRILL OR REPAIR WELL		SUBSEQUENT REPORT OF REDRILLING OR REPAIR	
NOTICE OF INTENTION TO SHOOT OR ACIDIZE		SUBSEQUENT REPORT OF ABANDONMENT	
NOTICE OF INTENTION TO PULL OR ALTER CASING		SUPPLEMENTARY WELL HISTORY	X
NOTICE OF INTENTION TO ABANDON WELL			

(INDICATE ABOVE BY CHECK MARK NATURE OF REPORT, NOTICE, OR OTHER DATA)

Artesia, New Mexico, Oct. 7, 1949

N. E. Salsh

Well No. A-15 is located 1980 ft. from {N/S} line and 1980 ft. from {E/W} line of sec. 21

NE¼ SW¼ Sec. 21 (¼ Sec. and Sec. No.) 17 (Twp.) 32 (Range) N MPM (Meridian)

Maljamar (Field) Lea (County or Subdivision) New Mexico (State or Territory)

The elevation of the derrick floor above sea level is 4034 ft.

DETAILS OF WORK

(State names of and expected depths to objective sands; show sizes, weights, and lengths of proposed casings; indicate mudding jobs, cementing points, and all other important proposed work)

On May 13, 1949 the Oil Conservation Commission of the State of New Mexico in Case No. 185, Order No. 821, approved our application for permission to drill well No. 21 at a point twenty-five feet out of the southwest corner of the NE¼ of SW¼ of Sec. 21-17-32, which is the same Unit on which No. 15 well is located. That well has now been completed, and in accordance with approved plan and stipulation of the Oil Conservation Commission, Well No. 15 has been shut in and will be no longer produced from the Maljamar pay.

I understand that this plan of work must receive approval in writing by the Geological Survey before operations may be commenced.

Company Buffalo Oil Company

Address Box 517
Artesia, New Mexico

By J. G. Ennis

Title Vice Pres.

Form 9-331 a
(March 1942)

Budget Bureau No. 42-R358.1.
Approval expires 11-30-49.

(SUBMIT IN TRIPLICATE)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Land Office Las Cruces
Lease No. 029509-A
Unit X

SUNDRY NOTICES AND REPORTS ON WELLS

NOTICE OF INTENTION TO DRILL		SUBSEQUENT REPORT OF WATER SHUT-OFF	
NOTICE OF INTENTION TO CHANGE PLANS		SUBSEQUENT REPORT OF SHOOTING OR ACIDIZING	
NOTICE OF INTENTION TO TEST WATER SHUT-OFF		SUBSEQUENT REPORT OF ALTERING CASING	
NOTICE OF INTENTION TO RE-DRILL OR REPAIR WELL		SUBSEQUENT REPORT OF REDRILLING OR REPAIR	
NOTICE OF INTENTION TO SHOOT OR ACIDIZE		SUBSEQUENT REPORT OF ABANDONMENT	
NOTICE OF INTENTION TO PULL OR ALTER CASING		SUPPLEMENTARY WELL HISTORY	X
NOTICE OF INTENTION TO ABANDON WELL			

(INDICATE ABOVE BY CHECK MARK NATURE OF REPORT, NOTICE, OR OTHER DATA)

Artesia, New Mex. Oct. 20, 1949

N. E. Baish

Well No. A-21 is located 1395 ft. from {N/S} line and 1347 ft. from {E/W} line of sec. 22

NE¼SW¼ Sec. 21 (¼ Sec. and Sec. No.) 17 (Twp.) 32 (Range) NMPM (Meridian)

MALJAMAR (Field) Lea (County or Subdivision) NEW MEXICO (State or Territory)

The elevation of the derrick floor above sea level is 4015 ft.

DETAILS OF WORK

(State names of and expected depths to objective sands; show sizes, weights, and lengths of proposed casings; indicate mudding jobs, cementing points, and all other important proposed work)

This well produces very little gas with the oil, and considerable trouble was experienced in keeping the well flowing. A pressure controlled intermitter was installed and on October 19th the well was tested for a period of 24 hours. During that time the well produced 49 ba rrels of oil through a 32/64" choke with a gas-oil ratio of 472 cu. ft. of gas per barrel of oil. It made eleven-fifteen minute flows with the intermitter set to operate at 680# to open, and close at 630#.

I understand that this plan of work must receive approval in writing by the Geological Survey before operations may be commenced.

Company BUFFALO OIL COMPANY

Address BOX 517

ARTESIA, NEW MEXICO

By H. Ellis

Title Vice Pres.

U. S. GOVERNMENT PRINTING OFFICE 16-6427-2

Form 9-330

Budget Bureau No. 42-R355.
Approval expires 11-30-46.

U. S. Land Office Las Cruces
Serial Number 029509-A
Lease or Permit to Prospect Lease

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

LOCATE WELL CORRECTLY

LOG OF OIL OR GAS WELL

Company Buffalo Oil Company Address Box 517, Artesia, New Mexico

Lessor or Tract M. E. Balsh Field Malljamar State New Mexico

Well No. A-21 Sec. 21 T. 17 R. 32 Meridian NMPM County Lea

Location 1395 ft. {N.} of S Line and 1347 ft. {E.} of W Line of Sec. 21 Elevation 4015
(Derrick floor relative to sea level)

The information given herewith is a complete and correct record of the well and all work done thereon so far as can be determined from all available records.

Signed [illegible]

Date October 20, 1949 Title

The summary on this page is for the condition of the well at above date.

Commenced drilling July 7, 1949 Finished drilling Sept. 11, 1949

OIL OR GAS SANDS OR ZONES

(Denote gas by G)

No. 1, from 2296 to 2300 No. 4, from to

No. 2, from 3075 to 3090 No. 5, from to

No. 3, from 3365 to 3394 G No. 6, from to

IMPORTANT WATER SANDS

No. 1, from 740 to 1/2 bbl per hr No. 3, from to

No. 2, from 2560/2570 to 2 bbls per hr No. 4, from to

CASING RECORD

Size casing	Weight per foot	Threads per inch	Make	Amount	Kind of shoe	Cut and pulled from	Perforated From—	Perforated To—	Purpose
10-3/4	40.54	8	[illegible]	90'	None				Conductor
8-5/8	24	8	J-55	880'	Cast Iron				Cover
7	20	8	J-55	2805	Float Shoe				Production
7	23	8	J-55	961	& Collar				

MUDDING AND CEMENTING RECORD

Size casing	Where set	Number sacks of cement	Method used	Mud gravity	Amount of mud used
10-3/4	95'	50	Pump		None
8-5/8	880'	None	"		15 sacks Aquagel
7	3742	310	"		6 " "

PLUGS AND ADAPTERS

Heaving plug—Material Length Depth set

FOLD | MARK

Adaptors—Material ..... Size .....

SHOOTING RECORD

Size	Shell used	Explosive used	Quantity	Date	Depth shot	Depth cleaned out
4½"	Tin	Nitroglycerin	150 qt	9/16	4047/4000'	
5	"	"	70 "	9/27	3880/3862'	4085
		15% Acid	1000 gal	10/13	4085/3995	

TOOLS USED

Rotary tools were used from ..... feet to ..... feet, and from ..... feet to ..... feet

Cable tools were used from 0 feet to 4085 feet, and from ..... feet to ..... feet

DATES

Oct. 1, 19 49 Put to producing Oct. 1, 19 49

The production for the first 24 hours was 75 bbls. of which 100 % was oil; ..... % emulsion; ..... % water; and ..... % sediment. Gravity, °Bé. 38

If gas well, cu. ft. per 24 hours ..... Gallons gasoline per 1,000 cu. ft. of gas .....

Rock pressure, lbs. per sq. in. .....

EMPLOYEES

Brewer Drilling Co, Driller V. A. Lane, Driller

Ray Burkhart, Driller C. E. Geiser, Driller

FORMATION RECORD

FROM—	TO—	TOTAL FEET	FORMATION
0	15	15	Sand, caliche and red clay
15	75	60	Sand
75	760	685	Red Beds
760	893	133	Anhydrite
893	900	7	Red Shale
900	915	15	Anhydrite
915	925	10	Sand
925	947	22	Anhydrite
947	1930	983	Salt
1930	2296	366	Anhydrite
2296	2300	4	Sand-Trace Oil & Gas
2300	2350	35	Broken anhydrite and sand
2350	2405	55	Anhydrite
2405	2435	30	Broken anhydrite and sand
2435	2550	125	Anhydrite
2550	2575	25	Sandy anhydrite
2575	3055	480	Anhydrite
3055	3060	5	Lime
3060	3070	10	Red Sand
3070	3075	5	Lime
3075	3090	15	Sand, Small show oil and gas
3090	3160	70	Anhydrite
3160	3180	20	Grey Lime
3180	3340	160	Anhydrite
3340	3350	10	Lime
3350	3375	25	Anhydrite

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. 185
ORDER NO. 821

THE APPLICATION OF BUFFALO OIL COMPANY FOR AN ORDER GRANTING PERMISSION TO DRILL UNORTHODOX LOCATION, DESIGNATED AS WELL NO. 21-A ON THAT PORTION OF ITS BAISH "A" LEASE, DESCRIBED AS NE/4 OF SW/4 OF SECTION 21, TOWNSHIP 17 SOUTH, RANGE 32 E., N.M.P.M., IN MALJAMAR FIELD, LEA COUNTY, NEW MEXICO, AND FOR PERMISSION TO PLUG BACK WELL NO. 15-A, ON THE SAME FORTY ACRE LEGAL SUBDIVISION AND PRODUCE IT FROM THE YATES SAND.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This matter came on for hearing at 10 o'clock A.M. on the 5th day of May 1949 at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this 13th day of May, 1949, the Commission, having before it for consideration the testimony adduced at said hearing and being fully advised in the premises,

FINDS:

1. That due public notice having been given, as provided by law, the Commission has jurisdiction of this cause.

2. That the acreage involved in the Application is Federally owned and the Supervisor of the United States Geological Survey interposes no objections to the Application.

3. That the lease covering the following described land is owned by Buffalo Oil Company:

> BAISH "A" LEASE, Las Cruces Serial No. 029503(a) described as N/2, SW/4 and N/2 SE/4 Section 21; and W/2 NW/4 Section 22, Township 17 South, Range 32 East, N.M.P.M.

4. That said tract hereinabove described is located in what is known as the Maljamar Pool of Lea County, New Mexico and that said lease covering the land hereinabove described is within the boundaries of and has been committed to the Maljamar Cooperative Repressuring Agreement.

5. That Well No. 15-A located in the NE/4 of the SW/4 of Section 21, Township 17 South, Range 32 East, N.M.P.M. was completed as a producing well in the Maljamar Pay on September 27, 1942. That in the completion of this well, tools were lost in the hole thereby causing a poor completion on this well. That in the drilling of Well No. 15-A, substantial showings of oil were encountered in the Yates Sand at an approximate depth of 2550 feet. That applicant should be permitted to either abandon or plug back said Well No. 15-A to the Yates Sand, and complete said well as a producing well in the Yates Sand if applicant so desires.

6. That a well drilled in the NE/4 of the SW/4 of said Section 21 to be located twenty-five feet North and twenty-five feet East of the Southwest corner of the NE/4 of SW/4 of said Section 21 to the Maljamar Pay, in all probability would be capable of producing substantial quantities of oil and that the drilling of said well at this location would be in the interest of conservation and would prevent waste, in that the drilling of said well would enable Applicant to recover substantial quantities of oil which would not otherwise be recovered.

IT IS THEREFORE ORDERED:

That the application of Buffalo Oil Company for an order granting permit to drill one unorthodox "five spot" location to be drilled to the Maljamar Pay, be, and the same hereby is granted and approved. The number and location of said well to be drilled, being as follows:

> BAISH WELL NO. 21-A, to be located 25 feet north and 25 feet east of the southwest corner of the NE/4 of SW/4 of Section 21, Township 17 South, Range 32 East, N.M.P.M.

IT IS FURTHER ORDERED:

That the application of Buffalo Oil Company for permission to plug back Baish Well No. 15-A from the Maljamar Pay to the Yates Sand be and the same is hereby granted and approved, provided, however, that Buffalo Oil Company shall not be obligated to plug said well back to the Yates Sand, but failing to do so shall abandon said Well No. 15-A and cease producing oil from said Well No. 15-A from the Maljamar Pay upon the completion of Baish Well No. 21-A, located on the same 40 acre legal subdivision.

IT IS FURTHER ORDERED:

That production from Well No. 15-A if the same is plugged back and completed as a Yates Sand Well, when added to the production of any existing Yates Sand wells located upon the same 40 acre legal subdivision shall not be produced in excess of the 40 acre allowable, as now, or as may hereafter be fixed by the Commission for Yates Sand Wells.

IT IS FURTHER ORDERED:

That Well No. 21-A hereinabove authorized shall be produced in accordance with the Allocation of Production Plan in effect and applicable to leases committed to the Maljamar Cooperative Repressuring Agreement producing from the Maljamar Pay.

IT IS FURTHER ORDERED:

That the applicant shall file with the Commission copy of Federal Location Notice for the hereinabove described location for approval thereof by the Oil and Gas Supervisor.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Thomas J. Mabry

THOMAS J. MABRY, CHAIRMAN

Guy Shepard

GUY SHEPARD, MEMBER

R. R. Spurrier

R. R. SPURRIER, SECRETARY

LAW OFFICES
JOHN E. COCHRAN, JR.
CARPER BUILDING
ARTESIA, NEW MEXICO

April 19, 1949

Oil Conservation Commission
State of New Mexico
State Capitol Building
Santa Fe, New Mexico

Attention: Mr. R. R. Spurrier

Gentlemen:

Enclosed herewith is Application, in triplicate, of Buffalo Oil Company, for an order granting permission to drill Well No. 21-A on its Baish "A" Lease, located in Section 21, Township 17 South, Range 32 East, N.M.P.M., and for permission to plug back Well No. 15-A on the same forty-acre legal subdivision and produce it from the Yates Sand.

At your earliest convenience, will you please set a time for hearing this Application and publish notice thereof and advise me the date set for hearing on this Application.

The land upon which this location is desired is embraced in a Federal Oil and Gas Lease and, therefore, a copy of this Application is being furnished Mr. Foster Morrell, Supervisor of the United States Geological Survey at Roswell, New Mexico.

Very truly yours

John E. Cochran, Jr.

JEC:rm
Encls.
cc: Mr. Foster Morrell, Supervisor
United States Geological Survey
Roswell, New Mexico

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF BUFFALO OIL COMPANY FOR ORDER GRANTING PERMISSION TO DRILL UNORTHODOX LOCATION, DESIGNATED AS WELL NO. 21-A, ON THAT PORTION OF ITS BAISH "A" LEASE, DESCRIBED AS NE/4 OF SW/4 OF SECTION 21, TOWNSHIP 17 SOUTH, RANGE 32 EAST, N.M.P.M., IN THE MALJAMAR FIELD, LEA COUNTY, NEW MEXICO, AND FOR PERMISSION TO PLUG BACK WELL NO. 15-A ON THE SAME FORTY ACRE LEGAL SUBDIVISION AND PRODUCE IT FROM THE YATES SAND.	NO. _____

APPLICATION

BUFFALO OIL COMPANY, Applicant herein, is a Corporation, licensed to do business in the State of New Mexico, with an office located at Artesia, New Mexico, and in connection herewith, respectfully shows to the Commission:

1. That Applicant is the owner and operator of Federal Oil and Gas Lease bearing Las Cruces Serial No. 029503(a), covering the following described land, situated in Lea County, State of New Mexico, to-wit:

N/2, SW/4 and N/2 SE/4 Section 21; and
W/2 NW/4 Section 22, Township 17 South,
Range 32 East, N.M.P.M.

2. That said tract of land, hereinabove described, is located in what is known as the Maljamar Pool of Lea County, New Mexico, and that there have been drilled on said tract of land a total of sixteen wells which are producing from the Maljamar Pay, encount-

ered at an approximate depth of 4,000 feet. That in addition to the sixteen wells producing from the Maljamar Pay, there have been drilled two additional wells to the Maljamar Pay upon said above described tract of land, which wells are designated as Wells Nos. 8-A and 26-A, which are being used at the present time as gas injection wells, through which gas is returned to the Maljamar reservoir.

3. That in addition to the above mentioned wells drilled to the Maljamar Pay on the Baish "A" Lease, there have been drilled three additional wells, being Wells Nos. 17-Y, 18-Y and 19-Y, which wells were drilled to the Yates Sand, which was encountered at a depth of approximately 2550 feet, and which said three wells are producing from the Yates Sand at the present time.

4. That the lease hereinabove described is located within the Maljamar Cooperative Repressuring Agreement.

5. That Well No. 15-A on the Baish "A" Lease, located in the NE/4 of SW/4 of Section 21, Township 17 South, Range 32 East, N.M.P.M., was completed as a producing well in the Maljamar Pay on September 27, 1942. That in the completion of this well, tools were lost in the hole, thereby causing a poor completion on this well. That by reason of this poor completion, this well has never been a large producer and at the present time is producing only ten barrels of oil per day. That at the time Well No. 15-A was drilled, a very substantial showing

of oil was encountered in the Yates Sand at an approximate depth of 2550 feet.

6. That Applicant, upon the basis of geological information, is advised and is of the opinion and belief that a well drilled in the NE/4 of SW/4 of said Section 21, to be located 25 feet North and 25 feet East of the Southwest Corner of the NE/4 of SW/4 of said Section 21, to the Maljamar Pay, when completed, would be capable of producing a substantial quantity of oil; that said location is shown on the map attached hereto, marked Exhibit "A" and by reference made a part hereof, and that the drilling of such location would be in the interest of conservation and would prevent waste, in that the drilling of said well would enable Applicant to recover substantial quantities of oil which would not otherwise be recovered. That Applicant desires to drill this additional well, to be numbered and located as follows:

> WELL NO. 21-A, to be located 25 feet North and 25 feet East of the Southwest Corner of the NE/4 of SW/4 of Section 21, Township 17 South, Range 32 East, N.M.P.M.;

the location of such well being shown on the map attached hereto, marked Exhibit "A".

7. That the drilling of Well No. 21-A at the location herein proposed, would constitute a second well producing from the Maljamar Pay on the NE/4 of SW/4 of said Section 21; and if permitted to drill well No. 21-A at the location hereinabove described by the Oil Conservation Commission, then Applicant desires to move in equip-

men, and plug back Well No. 15-A, located on the same forty-acre legal subdivision of the Baish "A" Lease, to an approximate depth of 2550 feet, and complete and produce said Well No. 15-A thereafter from the Yates Sand.

8. That in the event a permit is granted Applicant to drill Well No. 21-A at the location proposed, and permission is granted to plug back and produce Well No. 15-A from the Yates Sand, then upon the completion of Well No. 21-A as a producing well, that the Oil Conservation Commission of New Mexico permit said Well No. 21-A to produce the daily allowable for the forty-acre unit upon which said well is located, from the Maljamar Pay, in accordance with and as determined by the Allocation of Production Plan in use for proration units comprising leases within the boundaries of and committed to the Maljamar Cooperative Repressuring Agreement.

9. That the plugging back and completing of Well No. 15-A in the manner hereinabove outlined, from the Yates Sand, will constitute the second well producing from the Yates Sand on the NE/4 of SW/4 of said Section 21, Well No. 19-Y, also located upon this same forty-acre legal subdivision, being a Yates Sand Well. That in the event Applicant is permitted to plug back Well No. 15-A and complete the same as a producing well in the Yates Sand, then and in that event, it is the intention of Applicant to produce only the allowable for one Yates Sand forty-acre proration unit for the two wells located upon the NE/4 of SW/4 of said Section 21, producing from the Yates

Sand and, in no event will the combined daily production from these two Yates Sand wells exceed the allowable for Yates Sand production, as fixed by the Oil Conservation Commission for the forty-acre proration unit upon which said two wells are located.

WHEREFORE, Applicant prays that it be granted permission to drill Baish Well No. 21-A, at the location hereinabove described; that it be granted permission to plug back and complete Well No. 15-A in the Yates Sand; that the Commission set a date for hearing this Application, in accordance with its rules and regulations, and that upon presentation of this Application, proper order be entered granting permission to Applicant to produce a daily allowable from the forty-acre proration unit upon which said Well No. 21-A is located, in accordance with the Allocation of Production Plan in effect and applicable to leases within the Maljamar Cooperative Repressuring Agreement, producing from the Maljamar Pay.

John E. Cochran, Jr.
308 Carper Building
Artesia, New Mexico
Attorney for
Buffalo Oil Company

STATE OF NEW MEXICO)
: ss.
COUNTY OF EDDY)

H. G. ELLIS, being first duly sworn upon his oath, deposes and states: That he is Vice-President of BUFFALO OIL COMPANY, Applicant in the within and foregoing Application, and that he has read the same and from personal knowledge knows the matters therein contained to be true and correct, except such statements as are alleged upon information and belief, and as to those, he verily believes them to be true.

H. G. Ellis

SUBSCRIBED AND SWORN TO before me this 19th day of April, 1949.

Lucile T. Marshall
Notary Public

My commission expires:

April 15, 1950

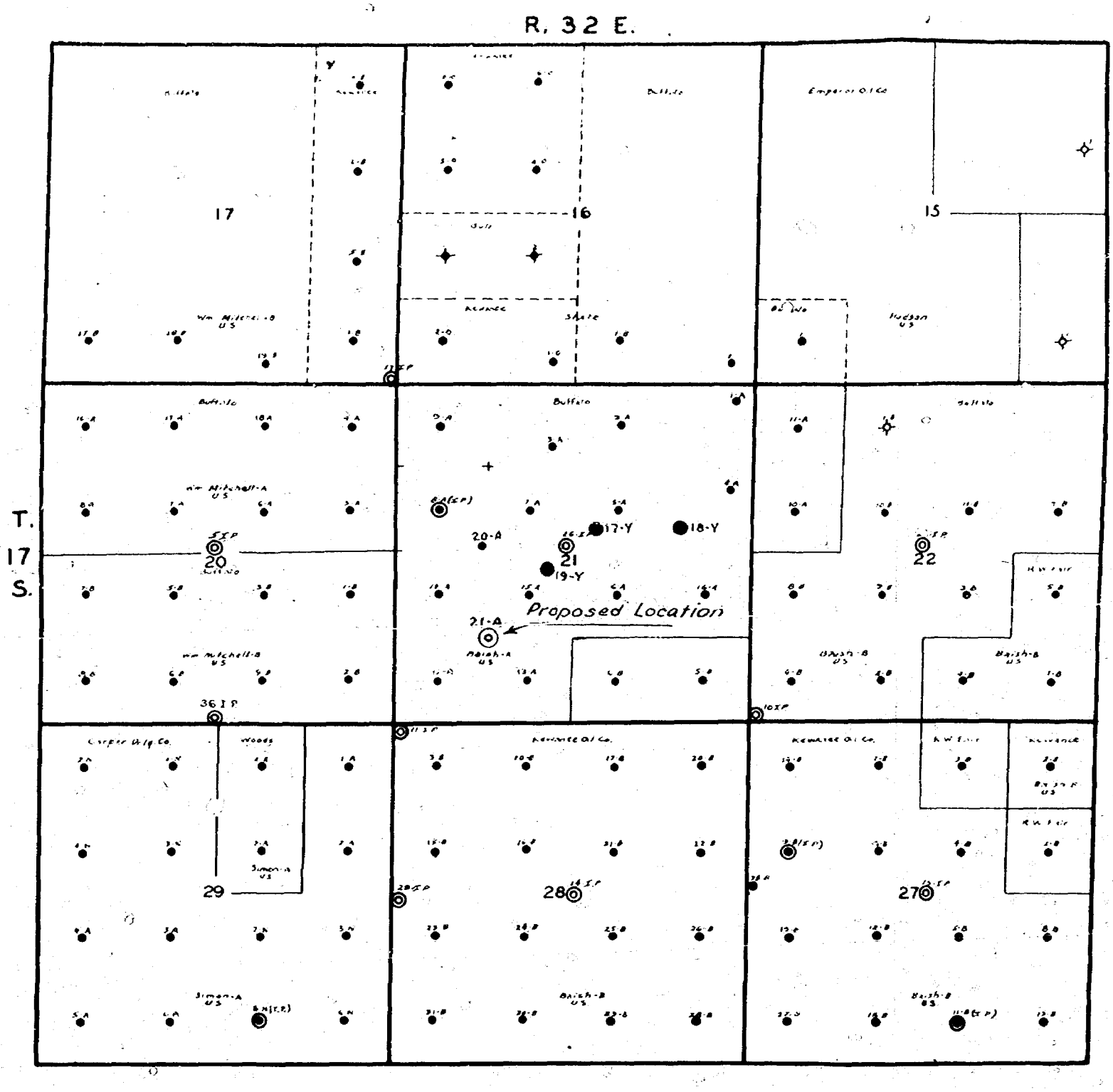


EXHIBIT "A"

A PART OF THE MALJAMAR POOL

LEA COUNTY, N.M.

● Gas Injection Wells

= Maljamar Pool Well

● Baish Pool Well

Scale: 1" = 2000'

Form 9-331 a
(March 1948)

Oil Conservation Comm
State of New Mexico

Budget Bureau No. 42-R359.4.
Approval expires 11-30-49.

Land Office Las Cruces
Lease No. 07856
Unit

(SUBMIT IN TRIPLICATE)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

RECEIVED
JUL 1 - 1949
OIL CONSERVATION COMMISSION
NEW MEXICO

SUNDRY NOTICES AND REPORTS ON WELLS

NOTICE OF INTENTION TO DRILL	X	SUBSEQUENT REPORT OF WATER SHUT-OFF	
NOTICE OF INTENTION TO CHANGE PLANS		SUBSEQUENT REPORT OF SHOOTING OR ACIDIZING	
NOTICE OF INTENTION TO TEST WATER SHUT-OFF		SUBSEQUENT REPORT OF ALTERING CASING	
NOTICE OF INTENTION TO RE-DRILL OR REPAIR WELL		SUBSEQUENT REPORT OF REDRILLING OR REPAIR	
NOTICE OF INTENTION TO SHOOT OR ACIDIZE		SUBSEQUENT REPORT OF ABANDONMENT	
NOTICE OF INTENTION TO PULL OR ALTER CASING		SUPPLEMENTARY WELL HISTORY	
NOTICE OF INTENTION TO ABANDON WELL			

(INDICATE ABOVE BY CHECK MARK NATURE OF REPORT, NOTICE, OR OTHER DATA)

Artesia, New Mex. June 23, 1949

M. E. Baish A

Well No. 21 is located 1395 ft. from [S] line and 1347 ft. from [W] line of sec. 21

NE¼SW¼ Sec. 21 (¼ Sec. and Sec. No.) 17S (Twp.) 32E (Range) NMPM (Meridian)

Maljamar (Field) Lea (County or Subdivision) New Mexico (State or Territory)

The elevation of the derrick floor above sea level is ..... ft.

DETAILS OF WORK

(State names of and expected depths to objective sands; show sizes, weights, and lengths of proposed casings; indicate mudding jobs, cementing points, and all other important proposed work)

The drilling of this unorthodox location has been approved by the State of New Mexico as Case #185, Order #821. It was necessary to move the location 50' North of original location in order to be far enough from a tank battery. Authority for changing location 50' was obtained from Mr. R. R. Spurrier by phone on June 23, 1949. This well will be located on the same 40 acre proration unit as Baish A-15. Baish A-15 was completed with difficulty and now produces only 10 barrels of oil per day. After the completion of Baish A-21, we propose to cease producing Baish A-15 from the Maljamar pool, and the well will either be shut-in or recompleted as a Yates Sand producer in the Baish Pool.

We will drill this well with cable tools and set a conductor string of approximately 60' of 10-3/4" OD casing and cement it back into the cellar. We will then drill a 10-inch hole into the Rustler anhydrite at an estimated depth of 800 ft. If water should be encountered above this depth, 8-5/8" OD casing will be run and mudded at this point and then pulled after the 7" casing has been run. An 8-inch hole will then be drilled to within 50 ft. of the expected top of the 6th zone, at an estimated depth of 3765'. At this point 7" OD 20# seamless steel casing will be run and cemented with 250 sacks of cement, preceded with sufficient mud to fill the hole above the top of the cement back to the surface. We will then drill to a depth sufficient to penetrate the 9th zone. Estimated total depth will be 4100 ft.

Form 9-331a
(Feb. 1951)

Oil Conservation Comm
State of New Mexico

(SUBMIT IN TRIPLICATE)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Budget Bureau No. 42-R358.1.
Approval expires 11-30-49.

Land Office ....
Lease No. ....
Unit ....

OIL CONSERVATION COMMISSION
NEW MEXICO
JUL 1 - 1949
RECEIVED

I understand that this plan of work must receive approval in writing by the Geological Survey before operations may be commenced.

Company Buffalo Oil Company

Address Box 527,
Artesia, New Mexico

By [signature]

Title Vice Pres.

U. S. GOVERNMENT PRINTING OFFICE 16-6457-2

Company Buffalo Oil Co

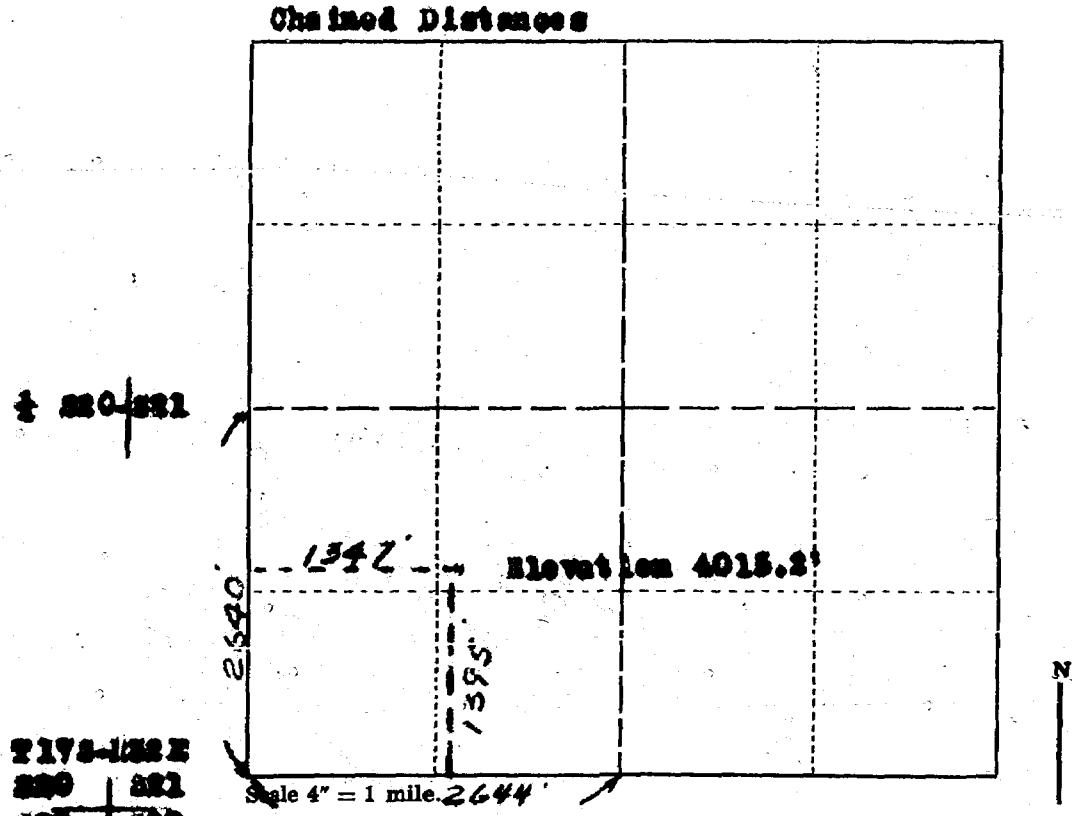
Lease Baish Well No. A-21

Sec. 21 T. 17 S., R. 32 E., N.M.P.M.

Location 75' N & 25' E. of SW Corner of NW¼-SW¼

County Lea, New Mexico

Chained Distances



Scale 4" = 1 mile.

This is to certify that the above plat was prepared from field notes of actual surveys made by me or under my supervision and that the same are true and correct to the best of my knowledge and belief.

Registered Professional Engineer and Land Surveyor.

Seal:

Artesia, New Mexico

Surveyed June 15, 1940

17528 Advocate Print

COPY

BUFFALO OIL COMPANY

A MARYLAND CORPORATION
GULF STATES BUILDING

DALLAS, TEXAS

June 24, 1949

S T I P U L A T I O N

To the UNITED STATES DEPARTMENT OF INTERIOR
GEOLOGICAL SURVEY
Artesia, New Mexico

In consideration of the privilege of drilling Well No. 21 on the Baish A lease, L.O. No. 029509-A at a point 1395 ft. from the South line, and 1347 ft. from the West line of Section 21, Township 17 South, Range 32 East, Lea County, New Mexico, Buffalo Oil Company hereby stipulates and agrees that the Southwest Quarter of said Section 21 will not be segregated or divided by assignment until said Well No. 21 is abandoned and plugged in accordance with operating regulations.

Yours very truly,

BUFFALO OIL COMPANY

By L M Jacobson V Pres

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. 185
Order No. 821

THE APPLICATION OF BUFFALO OIL COMPANY FOR AN ORDER GRANTING PERMISSION TO DRILL UNORTHODOX LOCATION, DESIGNATED AS WELL NO. 21-A ON THAT PORTION OF ITS BAISH "A" LEASE, DESCRIBED AS NE/4 OF SW/4 OF SECTION 21, TOWNSHIP 17 SOUTH, RANGE 32 EAST, NMPM, IN MALJAMAR FIELD, LEA COUNTY, NEW MEXICO, AND FOR PERMISSION TO PLUG BACK WELL NO. 15-A, ON THE SAME FORTY ACRE LEGAL SUBDIVISION AND PRODUCE IT FROM THE YATES SAND.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This matter came on for hearing at 10 o'clock a.m. on the 5th day of May 1949 at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this 13th day of May, 1949, the Commission, having before it for consideration the testimony adduced at said hearing and being fully advised in the premises,

FINDS:

1. That due public notice having been given, as provided by law, the Commission has jurisdiction of this cause.

2. That the acreage involved in the Application is Federally owned and the Supervisor of the United States Geological Survey interposes no objections to the Application.

3. That the lease covering the following described land is owned by Buffalo Oil Company:

> BAISH "A" LEASE, Las Cruces Serial No. 029503 (a) described as N/2, SW/4 and N/2 SE/4 Section 21; and W/2 NW/4 Section 22, Township 17 South, Range 32 East, NMPM.

4. That said tract hereinabove described is located in what is known as the Maljamar Pool of Lea County, New Mexico and that said lease covering the land hereinabove described is within the boundaries of and has been committed to the Maljamar Cooperative Repressuring Agreement.

5. That Well No. 15-A located in the NE/4 of the SW/4 of Section 21, Township 17 South, Range 32 East, NMPM was completed as a producing well in the Maljamar Pay on September 27, 1942. That in the completion of this well, tools were lost in the hole thereby causing a poor completion on this well. That in the drilling of Well No. 15-A, substantial showings of oil were encountered in the Yates Sand at an approximate depth of 2550 feet. That applicant should be permitted to either abandon or plug back said Well No. 15-A to the Yates Sand, and complete said well as a producing well in the Yates Sand if applicant so desires.

6. That a well drilled in the NE/4 of the SW/4 of said Section 21 to be located twenty-five feet North and twenty-five feet East of the Southwest corner of the NE/4 of SW/4 of said Section 21 to the Maljamar Pay, in all probability would be capable of producing substantial quantities of oil and that the drilling of said well at this location would be in the interest of conservation and would prevent waste, in that the drilling of said well would enable Applicant to recover substantial quantities of oil which would not otherwise be recovered.

IT IS THEREFORE ORDERED:

That the application of Buffalo Oil Company for an order granting permit to drill one unorthodox "five spot" location to be drilled to the Maljamar Pay, be, and the same hereby is granted and approved. The number and location of said well to be drilled, being as follows:

BAISH WELL NO. 21-A, to be located 25 feet north and 25 feet east of the southwest corner of the NE/4 of SW/4 of Section 21, Township 17 South, Range 32 East, NMPM.

IT IS FURTHER ORDERED:

That the application of Buffalo Oil Company for permission to plug back Baish Well No. 15-A from the Maljamar Pay to the Yates Sand be and the same is hereby granted and approved, provided, however, that Buffalo Oil Company shall not be obligated to plug said well back to the Yates Sand, but failing to do so shall abandon said Well No. 15-A and cease producing oil from said Well No. 15-A from the Maljamar Pay upon the completion of Baish Well No.21-A, located on the same 40 acre legal subdivision.

IT IS FURTHER ORDERED:

That production from Well No. 15-A if the same is plugged back and completed as a Yates Sand Well, when added to the production of any existing Yates Sand wells located upon the same 40 acre legal subdivision shall not be produced in excess of the 40 acre allowable, as now, or as may hereafter be fixed by the Commission for Yates Sand Wells.

IT IS FURTHER ORDERED:

That Well No. 21-A hereinabove authorized shall be produced in accordance with the Allocation of Production Plan in effect and applicable to leases committed to the Maljamar Cooperative Repressuring Agreement, producing from the Maljamar Pay.

IT IS FURTHER ORDERED:

That the applicant shall file with the Commission copy of Federal Location Notice for the hereinabove described location for approval thereof by the Oil and Gas Supervisor.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

THOMAS J. MABRY, CHAIRMAN

GUY SHEPARD, MEMBER

R. R. SPURRIER, SECRETARY

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE NO. 158
Order No. 793

THE APPLICATION OF BUFFALO OIL
COMPANY FOR ORDER GRANTING PER-
MISSION TO DRILL UNORTHODOX LOCATION
DESIGNATED AS WELL NO. 20-A ON THE
PORTION OF ITS BAISH "A" LEASE, DES-
CRIBED AS ALL OF SECTION 21, EXCEPT
S½SE¼. TWP. 17 SOUTH, RANGE 32 EAST,
N.M.P.M. IN THE MALJAMAR POOL OF LEA
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This matter came on regularly for hearing at 10:00 o'clock a.m., on September 30, 1948, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this 4th day of October, 1948, the Commission having before it the testimony adduced at the hearing of said cause and being fully advised in the premises,

FINDS:

1. That due public notice having been given in compliance with law, the Commission has jurisdiction of the case and the suject matter thereof;

2. That the petitioner is the owner of a Federal oil and gas lease designated as Las Cruces Lease No. 029509 (a) covering N½, SW¼, and N½SE¼, Section 21, and W½NW¼, Section 22 in Township 17 South, Range 32 East, N.M.P.M. in the Maljamar Pool, Lea County, New Mexico, upon which numerous oil welss have been drilled;

3. That the acreage included in said lease is within the area covered by the Maljamar Repressuring Agreement, and Well No. 8-A on said lease was originally completed as an oil well, therafter converted from a producing to a gas injection or "input" well; and the applicant may not allocate its potential to orther wells on the lease;

4. Thate an additional well drilled upon the same 40-acre unit as Well No. 8-A, would, in the case of production, in part recompense The Buffalo Oil Company for loss in converting the No. 8-A well from a producer to a gas injection well.

5. That the Federal Supervisor or Oil and Gas Operations is agreeable to the application.

IT IS THEREFORE ORDERED:

1. That the application of Buffalo Oil Company for an order authorizing an unorthodox well location, to be known as Baish Well No. 20-A and located 25 feet north and 25 feet west of the southeast corner of the SW¼NW¼ of Section 21 in Township 17

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. 115
Order No. 736

IN THE MATTER OF THE APPLICATION OF
KEWANEE OIL COMPANY FOR PERMISSION
TO CONVERT TO A PRODUCER FOR THE
PRODUCTION OF OIL AND GAS ITS BAISH
"B" I.P. WELL NO. 30, LOCATED 2,600
FEET FROM THE NORTH LINE AND 25 FEET
FROM THE WEST LINE (SW CORNER SW¼NW¼)
SECTION 27, TOWNSHIP 17 SOUTH, RANGE
32 EAST, N.M.P.M. IN THE MALJAMAR POOL,
LEA COUNTY, NEW MEXICO

ORDER OF THE COMMISSION

BY THE COMMISSION

This matter came on regularly for hearing at 10:00 o'clock A.M., on November 25, 1947, at Santa Fe, New Mexico before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on the 25th day of November, 1947, the Commission having before it for consideration the testimony adduced at the hearing of said cause and being fully advised in the premises:

FINDS:

1. That due public notice having been given, the Commission has jurisdiction of the case and the subject matter thereof;

2. That petitioner is the owner of an oil and gas lease of United States Government leased land designated as Las Cruces Lease 057210 and which lease includes the SW¼NW¼ of Section 27, Township 17 South, Range 32 East, N.M.P.M., Lea County, New Mexico;

3. That petitioner's present wells located on said tract are the Baish No. 9 I.P. located in the center of the said above described 40-acre unit and is a gas injection well used for injection purposes under the Maljamar Cooperative Repressuring Agreement and that is Baish "B" I.P. Well No. 30 located in the southwest corner of the said 40-acre unit was completed January 30, 1947, under the Maljamar Cooperative Repressuring Agreement program for the pupose of using said well as a gas injection well;

4. That from the evidence before the Commission it has been established that the said Baish "B" I.P. well No. 30 would be of greater value as a producing well than if it were used for gas injection service; that the conversion of this well to a producer would increase the ultimate recovery from the above described 40-acre lease unit; and that the continuation of Baish "B" No. 9 I.P. as an input well would insure maximum benefit to the gas injection program of the Maljamar

DC ORDERS - CONT'D.

DC 294 AMERADA PETROLEUM CORP., State J #3 Sec. 2-20-36

DC 295 *

DC 296 TENNESSEE GAS TRANSMISSION CO., Bay #2 Sec. 35-20-36

DC 297 SINCLAIR OIL & GAS CO., State "396" #2 Sec. 35-15-36

DC 298 SINCLAIR OIL & GAS CO., State "396" #3 Sec. 35-15-36

DC 299 THE OHIO OIL CO., Lou Worthan #11 Sec. 11-22-37

DC 300 GULF OIL CORP., W. A. Ramsay "A" #14 Sec. 34-21-37

DC 301 *

DC 302 GETTY OIL CO., D. C. Hardy #5 Sec. 20-21-37

DC 303 GULF OIL CORP., J. H. Day #1 Sec. 6-22-36

DC 304 GULF OIL CORP., F. W. Kutter "B" #4 Sec. 28-19-37

DC 305 GULF OIL CORP., W. A. Ramsay #17 Sec. 27-21-36

DC 306 AMERADA PET. CORP., Cagle "C" #1 Sec. 3-26-37

DC 307 SINCLAIR OIL & GAS CO., J. R. Cone "A" #1 Sec. 26-21-37

DC 308 SINCLAIR OIL & GAS CO., J. R. Cone "A" #2 Sec. 26-21-37

DC 309 SKELLY OIL CO., S. E. Toby #1 Sec. 7-24-37

DC 310 *

DC 311 CONTINENTAL OIL CO., Sanderson "A-14" #7 Sec. 14-20-36

DC 312 CONTINENTAL OIL CO., Reed A-3 #3 Sec. 3-20-36

DC 313 CONTINENTAL OIL CO., Lockhart B-11 #3 Sec. 11-21-37

DC 314 CONTINENTAL OIL CO., Lockhart B-11 #2-D Sec. 11-21-37

DC 315 CONTINENTAL OIL CO., Vaughn "A-12" #1 Sec. 12-24-36

DC 316 THE OHIO OIL CO., A. C. Dean "A" #1 Sec. 35-15-36 Oil-Oil

DC 317 CONTINENTAL OIL CO., Meyer B-17 # 1 Sec. 17-21-36

DC 318 GULF OIL CORP., Alice Paddock #3 Sec. 1-22-37

DC 319 GULF OIL CORP., Harry Leonard "J" #1 Sec. 24-21-36

DC 320 SKELLY OIL CO., E. T. Johns #1 Sec. 21-24-37

DC 321 CONTINENTAL OIL CO., Meyer B-9 #2 Sec. 9-21-36

DC 322 *

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE NO. 158
Order No. 793

THE APPLICATION OF BUFFALO OIL
COMPANY FOR ORDER GRANTING PER-
MISSION TO DRILL UNORTHODOX LOCATION
DESIGNATED AS WELL NO. 20-A ON THE
PORTION OF ITS BAISH "A" LEASE, DES-
CRIBED AS ALL OF SECTION 21, EXCEPT
S½SE¼. TWP. 17 SOUTH, RANGE 32 EAST,
N.M.P.M. IN THE MALJAMAR POOL OF LEA
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This matter came on regularly for hearing at 10:00 o'clock a.m., on September 30, 1948, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this 4th day of October, 1948, the Commission having before it the testimony adduced at the hearing of said cause and being fully advised in the premises,

FINDS:

1. That due public notice having been given in compliance with law, the Commission has jurisdiction of the case and the suject matter thereof;

2. That the petitioner is the owner of a Federal oil and gas lease designated as Las Cruces Lease No. 029509 (a) covering N½, SW¼, and N½SE¼, Section 21, and W½NW¼, Section 22 in Township 17 South, Range 32 East, N.M.P.M. in the Maljamar Pool, Lea County, New Mexico, upon which numerous oil welss have been drilled;

3. That the acreage included in said lease is within the area covered by the Maljamar Repressuring Agreement, and Well No. 8-A on said lease was originally completed as an oil well, therafter converted from a producing to a gas injection or "input" well; and the applicant may not allocate its potential to orther wells on the lease;

4. Thate an additional well drilled upon the same 40-acre unit as Well No. 8-A, would, in the case of production, in part recompense The Buffalo Oil Company for loss in converting the No. 8-A well from a producer to a gas injection well.

5. That the Federal Supervisor or Oil and Gas Operations is agreeable to the application.

IT IS THEREFORE ORDERED:

1. That the application of Buffalo Oil Company for an order authorizing an unorthodox well location, to be known as Baish Well No. 20-A and located 25 feet north and 25 feet west of the southeast corner of the SW¼NW¼ of Section 21 in Township 17

South, Range 32 East, N.M.P.M., be and the same hereby is approved;

2. That should production be had in said Baish Well No. 20-A, the smae shall not be produced, by itself or in conjunction with any orther production on the same 40-acre unit, in excess of the allowable now, or which hereafter may be fixed by the Commission for a unit in the Maljamar Pool;

3. That Baish Well No. 8-A shall be and remain an "input" well.

IT IS FURTHER ORDERED that the applicant shall file _____ authentic copies of Federal location notices for the herein authorized unorthodox well with the Commission, after approval thereof by the Federal Supervisor of Oil and Gas Operations.

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

OIL CONSERVATION COMMISSION

CHAIRMAN

MEMBER

SECRETARY

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE NO. 185
Order No. 821

THE APPLICATION OF BUFFALO OIL COMPANY
FOR AN ORDER GRANTING PERMISSION TO
DRILL UNORTHODOX LOCATION, DESIGNATED
AS WELL NO. 21-A ON THAT PORTION OF ITS
BAISH "A" LEASE, DESCRIBED AS NE/4 OF
SW/4 OF SECTION 21, TOWNSHIP 17 SOUTH,
RANGE 32 EAST, NMPM, IN MALJAMAR FIELD,
LEA COUNTY, NEW MEXICO, AND FOR PERMISSION
TO PLUG BACK WELL NO. 15-A, ON THE SAME
FORTY ACRE LEGAL SUBDIVISION AND PRODUCE IT
FROM THE YATES SAND.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This matter came on for hearing at 10 o'clock a.m. on the 5th day of May 1949 at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this 13th day of May, 1949, the Commission, having before it for consideration the testimony adduced at said hearing and being fully advised in the premises,

FINDS:

1. That due public notice having been given, as provided by law, the Commission has jurisdiction of this cause.

2. That the acreage involved in the Application is Federally owned and the Supervisor of the United States Geological Survey interposes no objections to the Application.

3. That the lease covering the following described land is owned by Buffalo Oil Company:

> BAISH "A" LEASE, Las Cruces Serial No. 029503 (a) described as N/2, SW/4 and N/2 SE/4 Section 21; and W/2 NW/4 Section 22, Township 17 South, Range 32 East, NMPM.

4. That said tract hereinabove described is located in what is known as the Maljamar Pool of Lea County, New Mexico and that said lease covering the land hereinabove described is within the boundaries of and has been committed to the Maljamar Cooperative Repressuring Agreement.

5. That Well No. 15-A located in the NE/4 of the SW/4 of Section 21, Township 17 South, Range 32 East, NMPM was completed as a producing well in the Maljamar Pay on September 27, 1942. That in the completion of this well, tools were lost in the hole thereby causing a poor completion on this well. That in the drilling of Well No. 15-A, substantial showings of oil were encountered in the Yates Sand at an approximate depth of 2550 feet. That applicant should be permitted to either abandon or plug back said Well No. 15-A to the Yates Sand, and complete said well as a producing well in the Yates Sand if applicant so desires.

6. That a well drilled in the NE/4 of the SW/4 of said Section 21 to be located twenty-five feet North and twenty-five feet East of the Southwest corner of the NE/4 of SW/4 of said Section 21 to the Maljamar Pay, in all probability would be capable of producing substantial quantities of oil and that the drilling of said well at this location would be in the interest of conservation and would prevent waste, in that the drilling of said well would enable Applicant to recover substantial quantities of oil which would not otherwise be recovered.

IT IS THEREFORE ORDERED:

That the application of Buffalo Oil Company for an order granting permit to drill one unorthodox "five spot" location to be drilled to the Maljamar Pay, be, and the same hereby is granted and approved. The number and location of said well to be drilled, being as follows:

> BAISH WELL NO. 21-A, to be located 25 feet north and 25 feet east of the southwest corner of the NE/4 of SW/4 of Section 21, Township 17 South, Range 32 East, NMPM.

IT IS FURTHER ORDERED:

That the application of Buffalo Oil Company for permission to plug back Baish Well No. 15-A from the Maljamar Pay to the Yates Sand be and the same is hereby granted and approved, provided, however, that Buffalo Oil Company shall not be obligated to plug said well back to the Yates Sand, but failing to do so shall abandon said Well No. 15-A and cease producing oil from said Well No. 15-A from the Maljamar Pay upon the completion of Baish Well No.21-A, located on the same 40 acre legal subdivision.

IT IS FURTHER ORDERED:

That production from Well No. 15-A if the same is plugged back and completed as a Yates Sand Well, when added to the production of any existing Yates Sand wells located upon the same 40 acre legal subdivision shall not be produced in excess of the 40 acre allowable, as now, or as may hereafter be fixed by the Commission for Yates Sand Wells.

IT IS FURTHER ORDERED:

That Well No. 21-A hereinabove authorized shall be produced in accordance with the Allocation of Production Plan in effect and applicable to leases committed to the Maljamar Cooperative Repressuring Agreement, producing from the Maljamar Pay.

IT IS FURTHER ORDERED:

That the applicant shall file with the Commission copy of Federal Location Notice for the hereinabove described location for approval thereof by the Oil and Gas Supervisor.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

THOMAS J. MABRY, CHAIRMAN

GUY SHEPARD, MEMBER

R. R. SPURRIER, SECRETARY

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE NO. 115
Order No. 736

IN THE MATTER OF THE APPLICATION OF
KEWANEE OIL COMPANY FOR PERMISSION
TO CONVERT TO A PRODUCER FOR THE
PRODUCTION OF OIL AND GAS ITS BAISH
"B" I.P. WELL NO. 30, LOCATED 2,600
FEET FROM THE NORTH LINE AND 25 FEET
FROM THE WEST LINE (SW CORNER SW¼NW¼)
SECTION 27, TOWNSHIP 17 SOUTH, RANGE
32 EAST, N.M.P.M. IN THE MALJAMAR POOL,
LEA COUNTY, NEW MEXICO

ORDER OF THE COMMISSION

BY THE COMMISSION

This matter came on regularly for hearing at 10:00 o'clock A.M., on November 25, 1947, at Santa Fe, New Mexico before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on the 25th day of November, 1947, the Commission having before it for consideration the testimony adduced at the hearing of said cause and being fully advised in the premises:

FINDS:

1. That due public notice having been given, the Commission has jurisdiction of the case and the subject matter thereof;

2. That petitioner is the owner of an oil and gas lease of United States Government leased land designated as Las Cruces Lease 057210 and which lease includes the SW¼NW¼ of Section 27, Township 17 South, Range 32 East, N.M.P.M., Lea County, New Mexico;

3. That petitioner's present wells located on said tract are the Baish No. 9 I.P. located in the center of the said above described 40-acre unit and is a gas injection well used for injection purposes under the Maljamar Cooperative Repressuring Agreement and that is Baish "B" I.P. Well No. 30 located in the southwest corner of the said 40-acre unit was completed January 30, 1947, under the Maljamar Cooperative Repressuring Agreement program for the pupose of using said well as a gas injection well;

4. That from the evidence before the Commission it has been established that the said Baish "B" I.P. well No. 30 would be of greater value as a producing well than if it were used for gas injection service; that the conversion of this well to a producer would increase the ultimate recovery from the above described 40-acre lease unit; and that the continuation of Baish "B" No. 9 I.P. as an input well would insure maximum benefit to the gas injection program of the Maljamar

Cooperative Repressuring Agreement;

5. That under the terms of the Maljamar Cooperative Repressuring Agreement operators of leases upon tracts of land upon which are located gas injection wells are entitled in addition thereto to a compensating well for the production of oil and gas;

6. That no other lease operators are effected by the unorthodox well location of the well under consideration as petitioner is the owner of all 40-acre units adjoining and surrounding the above described tract of land;

IT IS THEREFORE ORDERED that Kewanee Oil Company, petitioner herein, be granted permission to convert to a producer for the production of oil and gas its Baish "B" I.P. Well No. 30 located 2600 feet from the north line and 25 feet from the west line (SW corner SW¼NW¼) Section 27, Township 17 South, Range 32 East, N.M.P.M., Maljamar Pool, Lea County, New Mexico.

IT IS THE FURTHER ORDER OF THE COMMISSION that the production from said well shall not exceed the unit allowable now or which hereafter may be fixed by the Commission for the Maljamar Pool.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

/s/ Thomas J. Mabry, Chairman
/s/ John E. Miles, Member
/s/ R. R. Spurrier, Secretary

DC ORDERS - CONT'D.

DC 294 AMERADA PETROLEUM CORP., State J #3 Sec. 2-20-36

DC 295 *

DC 296 TENNESSEE GAS TRANSMISSION CO., Bay #2 Sec. 35-20-36

DC 297 SINCLAIR OIL & GAS CO., State "396" #2 Sec. 35-15-36

DC 298 SINCLAIR OIL & GAS CO., State "396" #3 Sec. 35-15-36

DC 299 THE OHIO OIL CO., Lou Worthan #11 Sec. 11-22-37

DC 300 GULF OIL CORP., W. A. Ramsay "A" #14 Sec. 34-21-37

DC 301 *

DC 302 GETTY OIL CO., D. C. Hardy #5 Sec. 20-21-37

DC 303 GULF OIL CORP., J. H. Day #1 Sec. 6-22-36

DC 304 GULF OIL CORP., F. W. Kutter "B" #4 Sec. 28-19-37

DC 305 GULF OIL CORP., W. A. Ramsay #17 Sec. 27-21-36

DC 306 AMERADA PET. CORP., Cagle "C" #1 Sec. 3-26-37

DC 307 SINCLAIR OIL & GAS CO., J. R. Cone "A" #1 Sec. 26-21-37

DC 308 SINCLAIR OIL & GAS CO., J. R. Cone "A" #2 Sec. 26-21-37

DC 309 SKELLY OIL CO., S. E. Toby #1 Sec. 7-24-37

DC 310 *

DC 311 CONTINENTAL OIL CO., Sanderson "A-14" #7 Sec. 14-20-36

DC 312 CONTINENTAL OIL CO., Reed A-3 #3 Sec. 3-20-36

DC 313 CONTINENTAL OIL CO., Lockhart B-11 #3 Sec. 11-21-37

DC 314 CONTINENTAL OIL CO., Lockhart B-11 #2-D Sec. 11-21-37

DC 315 CONTINENTAL OIL CO., Vaughn "A-12" #1 Sec. 12-24-36

DC 316 THE OHIO OIL CO., A. C. Dean "A" #1 Sec. 35-15-36 Oil-Oil

DC 317 CONTINENTAL OIL CO., Meyer B-17 # 1 Sec. 17-21-36

DC 318 GULF OIL CORP., Alice Paddock #3 Sec. 1-22-37

DC 319 GULF OIL CORP., Harry Leonard "J" #1 Sec. 24-21-36

DC 320 SKELLY OIL CO., E. T. Johns #1 Sec. 21-24-37

DC 321 CONTINENTAL OIL CO., Meyer B-9 #2 Sec. 9-21-36

DC 322 *

DC ORDERS - CONT'D.

DC 323 *

DC 324 *

DC 325 *

DC 326 SKELLY OIL CO., Baker "B" #2 Sec. 10-22-37

DC 327 CITIES SERVICE OIL CO., Brunson "B" #3 Sec. 3-22-37

* NOT ON FILE AT OCC OR ENGINEERING COMMITTEE IN HOBBS

NEW MEXICO OIL & GAS ENGINEERING COMMITTEE
August 15, 1956
HOBBS, NEW MEXICO

NON-STANDARD PRORATION UNITS - CONT'D.

NSP 212 TIDEWATER OIL COMPANY, State "I" #3 SE/4 SW/4 Sec. 16-20-37, 160 acre.

NSP 213 GULF OIL CORP., Graham State "C" #8 NW/4 SE/4 Sec. 25-19-36, 320 acre.

NSP 214 AZTEC OIL & GAS COMPANY, State "E-20A" #1 NE/4 NE/4 Sec. 20-20-36, 160 acre.

NSP 215 AZTEC OIL & GAS CO., State "E-20" #1 SE/4 SW/4 Sec. 20-20-36, 160 acre.

NSP 216 SOUTHERN CALIF. PET. CORP., Van Zandt #4 SW/4 NE/4 Sec. 25-24-36, 40 acre.

NSP 217 SINCLAIR OIL & GAS CO., State Lea "407" #2 , Sec. 2-21-35, 117.71 acre.

NSP 218 WESTERN NATURAL GAS CO., Wells #1 SW/4 NE/4 Sec. 6-25-37, 160 acre.

NSP 219 EL PASO NATURAL GAS CO., Shell St. #12, SW/4 SE/4 Sec. 36-20-36, 160 acre.

NSP 220 GULF OIL CORP., A. Ramsey State "D" #3 NE/4 NW/4 Sec. 33-21-36, 480 acre.

NSP 221 GULF OIL CORP., H. T. Orcutt "C" #8 , Sec. 6-21-36, 304.83 acre.
NSP 221 A GULF OIL CORP., H. T. Orcutt C #8 Sec. 6-21-36, 236 A. till Comm. then 305 A.
NSP 222 GULF OIL CORP., J. R. Holt "A" #2 SE/4 SW/4 Sec. 16-24-37, 280 acre.

NSP 223 SCHERMERHORN OIL CORP., Whitten #1 NW/4 SW/4 Sec. 33-23-36, 160 acre.

NSP 224 CITIES SERVICE OIL CO., State "E" #5 SE/4 SW/4 Sec. 30-19-37, 157 acre.

NSP 225 THREE STATES NATURAL GAS CO., Francis Stuart #1 SW/4 SW/4 Sec. 10-25-37, 40 acre.

NSP 226 GULF OIL CORP., E. Shipp "B" #2 SW/4 NW/4 Sec. 8-19-37, 320 acre.

NSP 227 GULF OIL CORP., White "B" #5 S/2 S/2 Sec. 35-20-36, 160 acre.

NSP 228 AMERADA PET. CORP., Sarah Phillips #2 E/2 SW/4 Sec. 33-19-37, 80 acres.

NSP 229 TIDEWATER OIL CO., J. H. Day #1 Sec. 6-22-36, 40 acres Lot 3.

NSP 230 AMERADA PET. CORP., J. R. Phillips #8, E/2 Sec. 1-20-36, 320 acres.

NSP 231 THE OHIO OIL CO., State D #1, W/2 E/2 Sec. 28-19-37, 160 acres.

NSP 232 GULF OIL CORP., F. W. Kutter "E" #1 S/2 & S/2 N/2 Sec. 9-19-37, 480 acres.

NSP 233 HUMBLE OIL & RFG. CO., M State G #4, N/2 Sec. 26-21-36, 320 acres.

NSP 234 HUMBLE OIL & RFG. CO., State M #4, N/2 Sec. 19-22-37, 314 acres.

NSP 235 AMERADA PET. CORP., State "PA" #1, E/2 SW/4 Sec. 18-22-37, 80 acres.

NSP 236 CITIES SERVICE OIL CO., Felton #1 Sec. 28-21-36, S/2 NE/4 & E/2 NW/4 160 A.

NSP 237 TIDEWATER OIL CO., State AC #1, NW/4 Sec. 5-19-37, 166 acres.

NSP 238 SUN OIL CO., Weatherly #1, W/2 NE/4, NW/4 SE/4, NE/4 SW/4 Sec. 17-21-37 160 acres.

NSP 239 EL PASO NAT. GAS Carlson Fed. #2, SW/4 Sec. 23-25-37, 160 acres.

NON-STANDARD PPORATION UNITS - CONT'D.

NSP 184 SHELL OIL CO., State "F" #1 NE/4 SE/4 Sec. 29-19-37, 160 acre.

NSP 185 GULF OIL CORP., R. R. Bell #2 NE/4 SW/4 Sec. 36-20-36, 320 acre.

NSP 186 SUPERIOR OIL CO., St. #1-175 NE/4 SE/4 Sec. 11-21-35, 160 acre.

NSP 187 STANOLIND OIL & GAS CO., State "I" #2 NE/4 NW/4 Sec. 22-21-36, 80 acre.

NSP 188 AMERADA PET. CORP., Falby #3 NE/4 NW/4 Sec. 19-24-37, 40 acre.

NSP 189 J. DON HUDGENS, Sims-State #1 NW/4 NE/4 Sec. 29-20-36, 160 acre.

NSP 190 J. HIRAM MOORE Pech-St. #1 Sec. 32-21-36, 160 acre, application withdrawn - oil well.

NSP 191 CONTINENTAL OIL CO., Sophie Meyer "A-26" #1 SE/4 NE/4 Sec. 26-20-37, 280 acre.

NSP 192 THE TEXAS CO., V. M. Henderson #4 NE/4 NW/4 Sec. 30-21-37, 314 acre.

NSP 193 GULF OIL CORP., O. I. Boyd #3, SE/2 SW/4 Sec. 23-22-37, 120 acre.

NSP 194 THE OHIO OIL CO., State Hansen #4, SE/4 NE/4 Sec. 16-20-37, 160 acre.

NSP 195 GACKLE OIL COMPANY, W. H. Combest #1, NE/4 SE/4 Sec. 27-23-36, 320 acre.

NSP 196 GULF OIL CORP., Manda "C" #1 NW/4 NE/4 Sec. 35-23-36, 40 acre.

NSP 197 CONTINENTAL OIL CO., Lockhart "A-35" #3 NE/4 NW/4 Sec. 35-21-37, 120 acre.

NSP 198 CONTINENTAL OIL CO., Nolan #2, SE/4 SW/4 Sec. 11-21-37, 120 acre.

NSP 199 CONTINENTAL OIL CO. Lockhart "A-35" #1 NW/4 NW/4 Sec. 35-21-37, 120 acre.

NSP 200 CONTINENTAL OIL CO., Wells "A-1" #2 SW/4 NW/4 Sec. 1-25-36, 120 acre.

NSP 201 GULF OIL CORPORATION J. F. Janda "D" #1 NW/4 SW/4 Sec. 2-21-36, 240 acre.

NSP 202 CONTINENTAL OIL CO., Hawk "B-3" #3 NW/4 SE/4 Sec. 3-21-37, 160 acre.

NSP 203 GENERAL CRUDE OIL CO., State "G" #1 NW/4 NW/4 Sec. 16-20-37, 40 acre.

NSP 204 MAPENZA OIL CO., Phillips Hooper #1 SW/4 SE/4 Sec. 27-20-37, 160 acre.

NSP 205 HUMBLE OIL & RFG. CO., G. B. Hadfield #1 NW/4 SE/4 Sec. 21-25-37, 40 acre.

NSP 206 GULF OIL CORP., F. W. Kutter #3 NW/4 SE/4 Sec. 20-19-37, 160 acre.

NSP 207 STANOLIND OIL & GAS CO., State "I" #2 NE/4 NW/4 Sec. 22-21-36, 120 acre.

NSP 208 ATLANTIC RFG. CO., Seale Fed. #2 , Sec. 34-20-35, 160 acre, SW/4.

NSP 209 GULF OIL CORP.,Graham St. "C" #1 NW/4 SE/4 Sec. 24-19-36, 160 acre.

NSP 210 GULF OIL CORP., Arnott-Ramsey "B" Well #2, SE/4 NE/4 Sec. 32-25-37, 320 A.

NSP 211 WESTERN NATURAL GAS CO., Toby #1, SE/4 SE/4 Sec. 12-24-36, 160 acre.

J. H. HERVEY 1874-1953
HIRAM M. DOW
CLARENCE E. HINKLE
W. E. BONDURANT, JR.
GEORGE H. HUNKER, JR.
HOWARD C. BRATTON
S. B. CHRISTY IV
LEWIS C. COX, JR.
PAUL W. EATON, JR.
ROBERT C. BLEDSOE

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

TELEPHONE MAIN 2-6510
POST OFFICE BOX 547

February 24, 1960

file

Mr. A. L. Porter, Jr., Secretary-Director
New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Re: Supplemental and ~~Amendatory~~ ~~Agreement to~~ the Maljamar Cooperative Repressuring Agreement

this is an old old case. Don't know the no.

Dear Mr. Porter:

We hand you herewith a fully executed and approved copy of the above Agreement which was approved by the Commissioner of Public Lands on December 23, 1959, and by Fred A. Seaton, Secretary of the Interior, on February 5, 1960. You will note that there is an original and a counterpart.

Yours very truly,

HERVEY, DOW & HINKLE

By C. E. Hinkle

CEH/bp
Enclosure

cc: Mr. Frank Merrill
Mr. Bill Mead

The within instrument entitled "Supplemental and Amendatory Agreement to Maljamar Cooperative Repressuring Agreement (Supplement No. 4) I-Sec. 34", New Mexico, dated December 1, 1959, is hereby approved.

Date Approved FEB 5 1960

Secretary of the Interior

SUPPLEMENTAL AND AMENDATORY AGREEMENT TO

MALJAMAR COOPERATIVE REPRESSURING AGREEMENT

(Supplement No 4)

I Sec. No 341

THIS AGREEMENT, made and entered into as of the 1st day of December, 1959, by and between the parties subscribing, ratifying or consenting hereto and herein referred to as the "parties hereto,"

WITNESSETH:

WHEREAS, on the 5th day of August, 1941, an agreement entitled "Maljamar Cooperative Repressuring Agreement" was made and entered into by and between certain parties owning oil and gas lease-hold interests within the cooperative area, hereinafter described, which said agreement was approved by the Secretary of the Interior on September 29, 1941; and,

WHEREAS, said agreement was supplemented and amended by the parties thereto as of July 22, 1944, and approved by the Secretary of the Interior on March 1, 1945, being an agreement entitled "Supplement to Maljamar Cooperative Repressuring Agreement (Supplement No.1);" and,

WHEREAS, said agreement was further supplemented and amended by a certain agreement made and entered into by and between the parties thereto as of October 25, 1949, and approved by the Secretary of the Interior on March 9, 1950, and by the Commissioner of Public Lands of the State of New Mexico on May 11, 1950, which said agreement was entitled "Supplement and Amendments to Maljamar Cooperative Repressuring Agreement (Supplement No. 2;" and,

WHEREAS, said agreement was further supplemented and amended by a certain agreement made and entered into by and between the parties

thereto as of November 16, 1953, and approved by the Secretary of the Interior on the 11th day of February, 1954, and by the Commissioner of Public Lands of the State of New Mexico, on the 28th day of June, 1954, which said agreement was entitled "Supplemental and Amendatory Agreement to Maljamar Cooperative Repressuring Agreement (Supplement No. 3);" and,

WHEREAS, the parties to said Maljamar Cooperative Repressuring Agreement, hereinafter referred to as "Maljamar Cooperative Agreement" and supplements and amendments thereto, acting under and pursuant to the provisions thereof, have heretofore constructed and operated a certain gas gathering system, compressors, gasoline plant and residue gas high pressure return system for the return of gas to input wells located within the cooperative area, hereinafter described, for pressure maintenance and other purposes and said parties have sold said gathering system, compressors, gasoline plant, high pressure residue return system and all other equipment and personal property used in connection therewith to the Continental Oil Company, one of the parties hereto, effective date of this Supplemental and Amendatory Agreement to the Maljamar Cooperative Agreement; and,

WHEREAS, the said Continental Oil Company has entered into certain casinghead gas contracts with each of the other parties signatory hereto under the terms of which Continental agrees to purchase and process the casinghead gas and to return the residue gas or so much thereof as may be necessary for pressure maintenance purposes and the parties are desirous of amending said Maljamar Cooperative Agreement as heretofore supplemented and amended to provide for the separate operation of said gathering system, compressors, gasoline plant and other equipment; and,

WHEREAS, some of the parties hereto are the owners and holders of certain leasehold interests within the cooperative area

hereinafter described which have not heretofore been committed to said Maljamar Cooperative Agreement and are desirous of committing all of their leasehold interests within the cooperative area to said agreement as supplemented and amended; and,

WHEREAS, due to the fact that most of the provisions of the said Maljamar Cooperative Agreement have been supplemented and amended by the three supplemental agreements, above referred to, the parties hereto are desirous of incorporating all of the previous supplements and amendments together with additional supplements and amendments into one instrument.

NOW, THEREFORE, in consideration of the premises, it is mutually agreed by and between the parties hereto that the Maljamar Cooperative Repressuring Agreement of August 5, 1941, as heretofore supplemented and amended, shall be and the same is hereby further supplemented and amended so that the following articles, as hereinafter set forth, shall be substituted for the original Maljamar Cooperative Agreement and all supplements and amendments thereto.

I

ENABLING ACT AND REGULATIONS: The Mineral Leasing Act of February 25, 1920, as amended (41 Stat. 437, 30 U.S.C., Secs. 181 et seq.) and all valid pertinent regulations, including operating and cooperative plan regulations, heretofore issued thereunder, or valid, pertinent and reasonable regulations hereafter issued thereunder, are accepted and made a part of this agreement as to federal lands, provided such regulations are not inconsistent with the terms of this agreement; and as to non-federal lands the oil and gas operating regulations in effect as of the effective date hereof governing drilling and producing operations, not inconsistent with the terms hereof or the laws of the State of New Mexico, are hereby accepted and made a part of this agreement.

II

COOPERATIVE AREA: The following described land is hereby designated and recognized as constituting the cooperative area:

Township 17 South, Range 32 East, N.M.P.M.
Lea County, New Mexico:

Sections 14 to 23, inclusive
Sections 25 to 35, inclusive

Township 17 South, Range 33 East, N.M.P.M.
Lea County, New Mexico

West Half (W/2) Section 30

containing 13,786.66 acres, more or less

There is attached hereto, as Exhibit "A", a map showing the cooperative area, the classes of land involved, the boundaries of the respective leasehold interests within said area, and the tract numbers corresponding to the tract numbers shown on Exhibit "B" attached hereto. Exhibit "B" is a schedule describing the leasehold interests within the cooperative area and showing the ownership thereof. Exhibits "A" and "B" may be revised by the Operators Committee whenever changes in the cooperative area render such revisions necessary or when requested by the Oil and Gas Supervisor, hereinafter referred to as "Supervisor," or when requested by the Commissioner of Public Lands of the State of New Mexico, hereinafter referred to as "Commissioner," and not less than seven copies of the revised exhibits shall be filed with the Supervisor and one copy thereof shall be filed with the Commissioner and one copy with the New Mexico Oil Conservation Commission, hereinafter referred to as "Commission."

III

SUBSTANCES UNITIZED AND TO BE PRODUCED COOPERATIVELY: All oil, gas and associated hydrocarbon substances produced from any leasehold within the cooperative area committed to this agreement shall be subject to the provisions hereof and all casinghead gas produced and used for pressure maintenance or secondary recovery purposes shall be considered as unitized and shall be subject to general allocation as herein provided and such gas is hereinafter referred to as "unitized substance."

All development and operations except pressure maintenance and secondary recovery operations which are to be conducted cooperatively pursuant to this agreement shall be conducted and managed by each lessee but each lessee hereby agrees not to produce from any well at a higher gas-oil ratio than the Operators Committee shall stipulate.

IV

OPERATORS COMMITTEE: An Operators Committee is hereby created, hereinafter referred to as the "Operators Committee," consisting of one member to be appointed by each of the parties hereto having a leasehold interest committed hereto and a producing well or wells located thereon. Any member appointed or elected to serve on the Operators Committee may be changed from time to time by the owner or owners of such leasehold interest appointing a new member and by notifying in writing the other members of the Operators Committee or the other parties hereto owning leasehold interests committed to this agreement of such action. Where any leasehold interest described as a separate tract on Exhibit "B" attached hereto is owned by more than one person or corporation the owners of such tract shall designate a representative to represent such owners and to serve on the Operators Committee.

The Operators Committee shall act upon and determine all matters properly coming before the Committee with regard to pressure maintenance and secondary recovery operations which are to be conducted pursuant to the terms of this agreement. All matters shall be determined by a vote of the members of the Operators Committee and each member of the Committee shall be entitled to a vote equal to the proportion that the number of 40-acre proration units, each having located thereon a producing or input well committed to this agreement

and represented by such member, bears to the total number of such 40-acre units within the cooperative area committed to this agreement. Except as herein otherwise provided, a vote of the majority percentage interest of the owners shall be binding upon all of the parties hereto; provided, however, should the interest of any one of the parties hereto constitute 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.

It shall be the duty of the Operators Committee to plan, coordinate, direct, supervise and manage all pressure maintenance and secondary recovery operations which may be carried on upon the cooperative area as well as any other operations which may be authorized by this agreement and said Operators Committee shall have full power and authority to do and perform every act and thing necessary or required to carry out to all intents and purposes the objects and purposes hereof, including but not limited to the following:

A. 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.

B. To meet at the call of the Chairman or any member of the Operators Committee for the purpose of considering any business affecting the cooperative area subject hereto.

C. To provide for the allocation of unitized gas to be injected into wells within the cooperative area for purposes of pressure maintenance and secondary recovery operations.

D. To promote the economical and efficient recovery of oil, gas and other hydrocarbon substances cooperatively produced from the cooperative area through the operation of pressure maintenance, waterfloods and other secondary recovery projects. To enter into contracts, leases or other agreements necessary or required to construct, operate, and maintain proper pressure maintenance and water flood facilities and equipment.

All costs and expenses incurred by the Operators Committee in connection with operations conducted pursuant to the terms of this agreement shall be apportioned among and borne by the parties hereto in accordance with an operating agreement entered into by and between the parties hereto, hereinafter referred to as the "cooperative operating agreement," which agreement shall provide for the accounting procedure to be followed in connection with all operations hereunder.

V

LEASEHOLD INTERESTS COMMITTED: All lands within the cooperative area not heretofore committed to the terms of this agreement which are now owned or operated by any of the parties hereto shall be and are hereby committed to this agreement and the parties hereto agree to commit any lands within the cooperative area which may hereafter be owned or operated by such parties in the manner hereinafter provided subject to the approval of the Operators Committee.

VI

EXPANSION OF COOPERATIVE AREA: The cooperative area may be expanded to embrace lands contiguous to the cooperative area with the approval of the Director of the United States Geological Survey, hereinafter referred to as "Director," and the Commissioner and upon ratification and consent of the terms and conditions of this agreement and such operating agreement as may be agreed to by and between the parties hereto and all of the owners of the leasehold interests being committed.

VII

ALLOCATION OF PRODUCTION: All unitized gas produced from any leasehold committed to the cooperative area shall be subject to sale by the respective owners of interests of the leasehold from which produced but so long as the use of all or any portion of said gas is necessary or required to operate and maintain a pressure maintenance project for the benefit of the entire cooperative area the Operators Committee may require so much of the residue gas after being processed as may be necessary to be returned by allocation

for pressure maintenance purposes to such leaseholds as the Operators Committee may direct, the general allocation of such unitized gas to be determined from time to time by the Operators Committee so as to promote the greatest ultimate recovery of oil, gas and other hydrocarbon substances from the cooperative area.

VIII

NATURAL GASOLINE, OTHER PRODUCTS AND RESIDUE GAS: As of the effective date of this Supplemental and Amendatory Agreement, Continental Oil Company, hereinafter referred to as "Continental," one of the parties hereto, is to be the owner of the gasoline plant, gathering system, compressors and high pressure return system returning residue gas to input wells heretofore operated for pressure maintenance purposes within the cooperative area. Each of the parties hereto, other than the Continental, has entered into a casinghead gas contract with the said Continental which shall also be effective as of the effective date of this Supplemental and Amendatory Agreement under the terms of which all gas produced from the respective leasehold interests committed to the cooperative area is to be sold to Continental. Each of the parties hereto, as such a seller, authorizes the Operators Committee to take delivery of so much of the residue gas as the Operators Committee determines, from time to time, to be necessary in connection with pressure maintenance operations being conducted hereunder; provided, however, the residue gas produced from any zone or zones included in any pressure maintenance project shall, insofar as practicable, be returned to such zone or zones and if it is necessary, in the discretion of the Operators Committee in carrying on any pressure maintenance project, to use residue gas produced from any zone which is not included within such project, the gas so produced and used shall be paid for by the Operators Committee at the prevailing price being paid for residue gas at the plant and the proceeds shall be

distributed as any other residue gas sale proceeds are distributed when made pursuant to the casinghead gas contracts above referred to and, in addition, the Operators Committee shall pay the compression charge as provided in said contracts or such other compression charge as may be mutually agreed upon by the Operators Committee and Continental; and, provided further, that when and if all residue gas is not required for pressure maintenance purposes then the Operators Committee shall receive such gas proportionately from the gas delivered by each party hereto to Continental.

In connection with the operation of said plant, gathering such gas, compressing and returning the same for injection to the cooperative area, each party hereto hereby grants unto Continental, insofar as each said party has the power so to do, all such rights-of-way or easements for said gathering of gas, the extraction of products, the compression of gas, and the return of high pressure gas to the injection wells within the cooperative area.

IX

TAXES: The Operators Committee shall attend to the rendition for the payment of any ad valorem taxes assessed against any property owned and operated cooperatively hereunder.

X

RIGHT OF PARTIES TO INSPECT PROPERTY AND RECORDS: The following specific rights, privileges and obligations of the Operators Committee are hereby expressly provided, but not by way of limitation or exclusion of any other rights, privileges and obligations of the respective parties:

a. The Operators Committee shall have access to the entire cooperative area subject hereto at all reasonable times, to inspect and observe operations of every kind and character upon the property.

b. The Operators Committee shall have access, at all reasonable times to any and all information pertaining to wells drilled, production secured, oil marketed, and to books, records, and vouchers relating to the operation of said cooperative area subject hereto.

c. Operators of leases shall upon request, furnish the Operators Committee true and complete copies of well logs, tank tables, daily gauge and run tickets, and reports of stock on hand at the first of each month, and shall also, upon request, make available samples and cuttings from any and all wells drilled by them in the cooperative area subject hereto.

XI

PRESSURE MAINTENANCE AND SECONDARY RECOVERY OPERATIONS:

For the purpose of conserving the natural resources and of securing the greatest ultimate practical recovery of oil and gas in the cooperative area, all casinghead gas produced from properties subject hereto except gas used for development and operations or unavoidably lost shall be dedicated to the return, insofar as practicable, to the Grayburg and San Andres oil producing formations and any other producing formations of the cooperative area which the Operators Committee may determine with the approval of the Supervisor, Commissioner and Commission should be included in a pressure maintenance project or projects. Each lease owner shall equip all wells subject hereto with conventional field separators in a manner approved by the Operators Committee for the separation of oil and gas and all casinghead gas or so much thereof as may be necessary subject to processing as herein provided shall be dedicated to pressure maintenance and secondary recovery operations.

The Operators Committee shall supervise the injection of gas into any producing formation, determine injection pressures and rates, control input wells located within the cooperative area and do such other things as are appropriate for effectively operating and controlling a proper injection program.

The Operators Committee may, with the approval of the Supervisor, Commissioner and Commission, inaugurate, maintain and expand from time to time a water flood project or projects for the purpose of obtaining the greatest ultimate recovery of oil and gas from any

producing formation within the cooperative area and said Committee shall determine, subject to the approval of the Supervisor, Commissioner and Commission where such approval is required, the location of all injection wells and the amount of water to be injected in any well or wells and shall have the right to purchase, contract for, develop or otherwise acquire water for water flooding operations and to construct, maintain and operate all supply lines, pumps, water lines and other facilities and equipment which may be necessary or required in connection with any such operation and all costs in connection with any such water flood project shall be borne by the parties hereto as may be mutually agreed upon and provided for in any cooperative operating agreement which may be entered into by the parties hereto in connection with this agreement.

XII

RENTAL SETTLEMENT: Rental or minimum royalties due on leases committed hereto shall be paid by the working interest owners responsible therefor under existing contracts, laws and regulations; provided nothing herein contained shall operate to relieve the lessees or any land from their respective lease operations for the payment of any rental or minimum royalty in lieu thereof due under their leases. Rental or minimum royalty for lands of the United States subject to this agreement shall be paid at the rate specified in the respective leases from the United States unless such rental or minimum royalty is waived, suspended or reduced by law or by approval of the Secretary or his duly authorized representative.

Rentals on State of New Mexico land subject to this agreement shall be paid at the rate specified in the respective leases.

With respect to any committed lease on privately owned lands containing provisions which would terminate such lease unless drilling

operations were within the time therein specified commenced upon the lands covered thereby or rentals paid for the privilege of deferring such drilling operations, the rental required thereby shall, notwithstanding any other provision of this agreement, be deemed to accrue and become payable during the term thereof until oil or gas is being produced from some part of the lands embraced therein.

XIII

ROYALTY SETTLEMENT: Each party hereto shall pay all royalties, overriding royalties, production payments or other burdens created in connection with any leasehold interest committed to this agreement.

Royalties due the United States and the State of New Mexico and to other lessors shall be paid by the respective owners of leasehold interests committed hereto at the rates and in the manner specified in the respective leases. Settlement for all royalties shall be made by the respective owners responsible therefor under existing contracts, laws and regulations on or before the last day of each month for oil and gas produced during the preceding calendar month.

It is expressly understood and agreed that beginning at the end of the respective 20-year terms, or any extension thereof other than that provided in Section XV (b) hereof, of any federal leases containing provisions for the payment of a five per cent rate of royalty to the United States, the royalty rate on all such leases not committed to this agreement prior to the effective date of this amendment (Supplement #4) shall be the same rate as would be applicable to renewal leases in the absence of said Maljamar Cooperative Agreement as amended.

XIV

CONSERVATION: Operations hereunder and production of oil and gas from the leasehold interest committed to the cooperative

area shall be conducted in a manner to provide for the most economical and efficient recovery of oil and gas without waste as defined by or pursuant to state or federal law or regulation.

XV

LEASES CONFORMED TO AGREEMENT: The terms, conditions, and provisions of all leases, subleases, and other contracts relating to exploration, drilling, development or operation for oil or gas of lands committed to this agreement are hereby expressly modified and amended to the extent necessary to make the same conform to the provisions hereof, but otherwise to remain in full force and effect; and the parties hereto hereby consent that the Secretary as to federal leases and the Commissioner as to state leases shall and each by his approval hereof, or by the approval hereof by his duly authorized representative, does hereby establish, alter, change or revoke the drilling, producing, rental, minimum royalty, and royalty requirements of federal and state leases committed hereto and the regulations in respect thereto to conform said requirements to the provisions of this agreement, and, without limiting the generality of the foregoing, all leases, subleases, and contracts are particularly modified in accordance with the following:

(a) Each lease, sublease or contract relating to the exploration, drilling, development or operation for oil or gas of lands other than those of the United States committed to this agreement, which, by its terms might expire prior to the termination of this agreement, is hereby extended beyond any such term so provided therein so that it shall be continued in full force and effect for and during the term of this agreement.

(b) Any federal lease for a term of twenty years, or any renewal thereof, or any portion of such lease which is made subject to this agreement, shall continue in force beyond the term provided therein until the termination hereof. Any other federal lease committed hereto shall continue in force beyond the term so provided

therein or by law as to the land committed so long as such lease remains subject hereto, provided that production is had in paying quantities under this agreement prior to the expiration date of the term of such lease.

(c) Each sublease or contract relating to the operation and development of oil and gas from lands of the United States, committed to this agreement, which by its terms would expire prior to the time at which the underlying lease, as extended by the immediately preceding paragraph, will expire, is hereby extended beyond any such term so provided therein so that it shall be continued in full force and effect for and during the term of the underlying lease as such term is herein extended.

(d) The segregation of any federal lease committed to this agreement is governed by the following provision in the fourth paragraph of Sec. 17(b) of the Act, as amended by the Act of July 29, 1954, (68 Stat. 583, 585): "Any (federal) lease hereafter committed to any such plan embracing lands that are in part within and in part outside of the area covered by any such plan shall be segregated into separate leases as to the lands committed and the lands not committed as of the effective date of unitization: Provided, however, That any such lease as to the nonunitized portion shall continue in force and effect for the term thereof but for not less than two years from the date of such segregation and so long thereafter as oil or gas is produced in paying quantities."

(e) Any lease embracing lands of the State of New Mexico having only a portion of its lands committed hereto shall be segregated as to the portion committed and as to the portion not committed and the terms of such leases shall apply separately as to such segregated portions commencing as of the effective date hereof. Notwithstanding any of the provisions of this agreement to the contrary, any lease embracing lands of the State of New Mexico having only a portion of its lands committed hereto shall continue in full force and effect

beyond the term provided therein as to all lands embraced in such lease, if oil and gas, or either of them, are discovered and are capable of being produced in paying quantities from some part of the lands (either within or without the cooperative area) embraced in such lease committed to this agreement at the expiration of the secondary term of such lease; or if, at the expiration of the secondary term, the lessee is then engaged in bona fide drilling or reworking operations on some part of the lands embraced therein shall remain in full force and effect so long as such operations are being diligently prosecuted, and if they result in the production of oil or gas, said lease shall continue in full force and effect as to all of the lands embraced therein, so long thereafter as oil and gas, or either of them, are being produced in paying quantities from any portion of said lands.

XVI

COVENANTS RUN WITH LAND: The covenants herein shall be construed to be covenants running with the land with respect to the interest of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer, or conveyance of interest in land or leases subject hereto shall be and hereby is conditioned upon the assumption of all privileges and obligations hereunder by the grantee, transferee, or other successor in interest.

XVII

EFFECTIVE DATE AND TERM: This Supplemental and Amendatory Agreement shall become effective as of the first day of the month following approval by the Commissioner and the Secretary of the Interior or their duly authorized representatives and shall remain in effect so long thereafter as pressure maintenance or water flood or other secondary recovery operations are conducted pursuant to the terms hereof; provided, however, this agreement may be terminated at

any time by an affirmative vote of the Operators Committee, with the approval of the Commissioner and the Director, upon making a finding or a determination that such pressure maintenance, water flood or other secondary recovery operations within the cooperative area subject hereto are not successful or are impracticable, such determination to be made by a vote of the Operators Committee taken as provided in Article IV hereof.

XVIII

RATE OF PROSPECTING, DEVELOPMENT AND PRODUCTION: All production and the disposal thereof shall be in conformity with allocations and quotas made or fixed by any duly authorized person or regulatory body under any federal or state statute. The Director is hereby vested with authority to alter or modify from time to time, in his discretion, the rate of prospecting and development and within the limits made or fixed by the Commission to alter or modify the quantity and rate of production under this agreement, such authority being hereby limited to alteration or modification in the public interest, the purpose thereof and the public interest to be served thereby to be stated in the order of alteration or modification; provided, further, that no such alteration or modification shall be effective as to any land of the State of New Mexico as to the rate of prospecting and development in the absence of the specific written approval thereof by the Commissioner and as to any lands of the State of New Mexico or privately-owned lands subject to this agreement as to the quantity and rate of production in the absence of specific written approval thereof by the Commission.

Powers in this section vested in the Director shall only be exercised after notice to the Operators Committee and opportunity for hearing to be held not less than fifteen days from notice.

XIX

EXISTING AGREEMENTS NOT CANCELLED: The parties hereto and all parties consenting to this agreement agree that this agreement shall not cancel or supersede the existing leases, drilling and operating agreement, overriding royalty agreements, or other agreements affecting the cooperative area owned or held by the parties subscribing or consenting hereto, and the same shall continue in full force and effect except to the extent that they, or any one or more thereof, are in conflict with the provisions of or are modified by this agreement; and in case of conflict between this agreement and any one or more of said leases, drilling and operating agreements, overriding royalty agreements or other agreements, the provisions of this agreement during its effectiveness shall govern and control, and such other agreements shall be and the same are hereby modified and amended accordingly.

XX

SUSPENSION OF OBLIGATIONS: Anything in this agreement, or any portion thereof, or in said leases, drilling and operating agreements, overriding royalty agreements or any other agreement or agreements to the contrary notwithstanding, it is hereby expressly agreed that the obligations of the holder or holders of rights signatory hereto under such leases, drilling and operating agreements, overriding royalty agreements, or any other agreement or agreements, shall be suspended to the extent that performance is prevented by weather conditions, strikes, lockouts, acts of God, or calamitous visitations, unavoidable accidents, rules and regulations of federal, state or other governmental agency under asserted authority, or for any cause beyond the control of the respective owners of operating rights signatory hereto.

XXI

NOTICES: All notices or demands to be given hereunder to parties signatory hereto or consenting hereto, or statements to be

rendered, may be given by mail to addresses set forth in connection with signatures hereto and to consents hereof, provided that any change in address shall be binding upon the Operators Committee if given by registered mail to said Committee.

XXII

NO WAIVER OF CERTAIN RIGHTS: Nothing in this agreement contained shall be construed as a waiver by any party signatory hereto or consenting to this agreement of the right to assert any legal or constitutional right or defense as to the validity or invalidity of any law of the State of New Mexico, of the United States, or regulations issued thereunder in any way affecting such party, or as a waiver by any such party of any right beyond his or its authority to waive.

Nothing in this agreement may be construed to permit anyone to do anything to jeopardize the validity of the leases.

Nothing in this instrument shall be construed to increase or decrease the authority of the Secretary of the Interior acting through the Supervisor or otherwise to control and direct the operations under any lease of federal lands made subject hereto.

XXIII

STATUS OF PARTIES AND SUBSEQUENT JOINDER: Nothing in this agreement contained, implied or contemplated shall create or be deemed to have created a partnership, joint venture or joint association of the parties signatory hereto or any of them.

Any owner or owners of the entire working interest in and to any leasehold interest embracing lands within the cooperative area may join in this agreement and commit such lands hereto by executing a counterpart hereof at any time within one year from the effective date of this Supplemental and Amendatory Agreement and executing any cooperative operating agreement which may have been entered into between the parties hereto in connection with this

agreement. Thereafter, any party or parties owning such a working interest in lands within the cooperative area may join this agreement and commit such interest hereto only upon such terms and conditions as the Operators Committee may determine with the approval of the Commissioner and the Director. The period of one year for subsequent joinder provided hereinabove may be shortened or terminated by an affirmative vote of the Operators Committee and approval of the Commissioner and the Director.

XXIV

WARRANTY OF TITLE: Each of the parties hereto except the United States and the State of New Mexico warrants and agrees to defend the title to the rights and interests committed by the respective parties to this agreement as shown on Exhibit "B" attached hereto.

XXV

COUNTERPARTS: This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument in writing specifically referring hereto and shall be binding upon all those parties who have executed such a counterpart, ratification, or consent hereto with the same force and effect as if all such parties had signed the same document and regardless of whether or not it is executed by all other parties owning or claiming an interest in the lands within the above described cooperative area.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed and have set opposite their respective names the date of execution.

CONTINENTAL OIL COMPANY

By _____

Att-in-Fact

Date Signed: 12-18-59

Attest: Glenn A. Cashey, Asst Secretary

CARPER DRILLING COMPANY, INC.

By J. Noshua Rowley, Vice President

Date Signed: 12-22-59

Zula Cockburn

Zula Cockburn

Date Signed: 12-21-59

Attest: Earl Lyons, Asst. Secy

DRILLING AND EXPLORATION COMPANY, Inc

By R. L. Cam, Vice President

Date Signed: 12-18-59

Attest

FAIR N & N TRUST

By Geo. W. Arnold, Trustee

Date Signed: 12-21-59

Attest: Sam Bright

FAIR OIL COMPANY

By R. W. Fair

Date Signed: 12-21-59

R. W. Fair

R. W. Fair

Date Signed:

Attest:

GULF OIL CORPORATION

By

Date Signed:

Attest:

KEWANEE OIL COMPANY

By

Date Signed:

H. H. King

Date Signed:

Tommie Knight Calley, Administrator of Estate of James F. Knight

Date Signed:

12-21-59

Jewell Smith

Jewell Smith

Date Signed:

12-21-59

Leon C. Smith

Leon C. Smith

Date Signed:

12-18-59

Virginia Sears

Mary Jo Vandiver

Virginia Sears and Mary Jo Vandiver, Individually and as Co-Executrixs of the Estate of Ross Sears, deceased.

Date Signed:

12-18-59

Mrs. E. G. Woods

Mrs. E. G. Woods

Date Signed:

12/18/59

Virginia Woods Shaw

Virginia Woods Shaw

Date Signed:

12-18-59

Mary Katherine Fowles
Charlotte Woods Runyan
Emily Ray, Trustee for Emily Katherine Flint and Rosemary Flint

By Jack B. Shaw

Jack B. Shaw
Attorney-in-Fact for Mary Katherine Fowles, Charlotte Woods Runyan, and Emily Ray, as Trustee for Emily Katherine Flint and Rosemary Flint.

Date Signed: 12-21-59 Attest: _____ By J Pierce

Date Signed: _____ Attest: _____ By _____

Date Signed: _____ Attest: _____ By _____

Date Signed: _____ Attest: _____ By _____

Date Signed: _____ Attest: _____ By _____

Date Signed: _____ Attest: _____ By _____

STATE OF Texas
COUNTY OF Tarrant } ss.

The foregoing instrument was acknowledged before me this 21 day of December, 1959, by _____, _____ of Continental Oil Company, a Delaware corporation on behalf of said corporation.

My Commission Expires:
6-1-61

Gwendolyne L. Miller
Notary Public

STATE OF New Mexico
COUNTY OF Eddy } ss.

The foregoing instrument was acknowledged before me this 18th day of December, 1959, by Marshall Rowley, Vice President of Carper Drilling Company, Inc., a New Mexico corporation on behalf of said corporation.

My Commission Expires:
1-28-63

Don M. Washington
Notary Public

STATE OF Texas
COUNTY OF Bexar } ss.

The foregoing instrument was acknowledged before me this 22 day of December, 1959, by Zula Cockburn _____.

My Commission Expires:
5-31-61

Estelle C. Pardue
Notary Public

STATE OF Texas
COUNTY OF Dallas } ss.

The foregoing instrument was acknowledged before me this 23 day of Dec, 1959, by R L Rose, VP of Drilling and Exploration Company, a Delaware corporation on behalf of said corporation.

My Commission Expires:
LOVA L. SINGLEY
My Commission Expires 6-1-61

Lova L. Singley
Notary Public

STATE OF New Mexico
COUNTY OF Eddy } ss.

The foregoing instrument was acknowledged before me this 18th day of December, 1959, by Gus W Amaden, Trustee of Fair N & N Trust, ~~a corporation on behalf of said corporation.~~

My Commission Expires:
1-28-63

Don M. Washington
Notary Public

STATE OF Texas
COUNTY OF Smith } ss.

The foregoing instrument was acknowledged before me this 21st day of December, 1959, by R. W. Fair, President of Fair Oil Company, a Texas corporation on behalf of said corporation.

My Commission Expires:
6/1/61

Ruth Chapman
Notary Public

STATE OF Texas
COUNTY OF Smith } ss.

The foregoing instrument was acknowledged before me this 21 day of December, 1959, by R. W. Fair.

My Commission Expires:
6/1/61

Ruth Chapman
Notary Public

STATE OF
COUNTY OF } ss.

The foregoing instrument was acknowledged before me this____ day of_____, 19__, by_____, of Gulf Oil Corporation, a_____ corporation on behalf of said corporation.

My Commission Expires:

Notary Public

STATE OF
COUNTY OF } ss.

The foregoing instrument was acknowledged before me this____ day of_____, 19__, by_____, of Kewanee Oil Company, a_____ corporation on behalf of said corporation.

My Commission Expires:

Notary Public

STATE OF
COUNTY OF } ss.

The foregoing instrument was acknowledged before me this____ day of_____, 19__, by H. H. King.

My Commission Expires:

Notary Public

STATE OF [illegible] } ss.
COUNTY OF [illegible]

The foregoing instrument was acknowledged before me this _____ day of [illegible], 19[illegible], by Leon C. Smith _____.

Gwendolyne L. Miller
Notary Public

My Commission Expires:
6-1-61

STATE OF New Mexico } ss.
COUNTY OF Eddy

The foregoing instrument was acknowledged before me this 18 day of December, 1959, by Virginia Sears and Mary Jo Vandiver, Individually and as Co-Executrixs of the Estate of Ross Sears, deceased.

Don M. Washington
Notary Public

My Commission Expires:
1-28-63

STATE OF New Mexico } ss.
COUNTY OF Eddy

The foregoing instrument was acknowledged before me this 18th day of December, 1959, by Virginia Woods Shaw _____.

Don M. Washington
Notary Public

My Commission Expires:
1-28-63

STATE OF New Mexico } ss.
COUNTY OF Eddy

The foregoing instrument was acknowledged before me this 18th day of December, 1959, by Jack B. Shaw, Attorney-in-Fact for Mary Katherine Fowles, Charlotte Woods Runyan, and Emily Ray, as Trustee for Emily Katherine Flint and Rosemary Flint.

Don M. Washington
Notary Public

My Commission Expires:
1-28-63

STATE OF New Mexico } ss.
COUNTY OF Eddy

The foregoing instrument was acknowledged before me this 18 day of December, 1959, by Mrs. E. G. Woods.

Don M. Washington
Notary Public

My Commission Expires:
1-28-63

STATE OF Texas } ss.
COUNTY OF Tarrant

The foregoing instrument was acknowledged before me this 21 day of December, 1959, by Jewell Smith _____.

Gwendolyne L. Miller
Notary Public
GWENDOLYNE L. MILLER

My Commission Expires:
6-1-61

STATE OF Idaho
COUNTY OF Fremont } ss.

The foregoing instrument was acknowledged before me this ____ day of March, 1959, by J. P. [illegible].

My Commission Expires:
6-1-61

Gwendolyne L. Miller
Notary Public

STATE OF
COUNTY OF } ss.

The foregoing instrument was acknowledged before me this ____ day of _____, 19__, by _____.

My Commission Expires:

_____

_____
Notary Public

STATE OF
COUNTY OF } ss.

The foregoing instrument was acknowledged before me this ____ day of _____, 19__, by _____.

My Commission Expires:

_____

_____
Notary Public

STATE OF
COUNTY OF } ss.

The foregoing instrument was acknowledged before me this ____ day of _____, 19__, by _____.

My Commission Expires:

_____

_____
Notary Public

STATE OF
COUNTY OF } ss.

The foregoing instrument was acknowledged before me this ____ day of _____, 19__, by _____.

My Commission Expires:

_____

_____
Notary Public

EXHIBIT "B"
MALJAMAR COOPERATIVE REPRESSURING AGREEMENT
TOWNSHIP 17 SOUTH, RANGE 32 EAST and RANGE 33 EAST
LEA COUNTY, NEW MEXICO

SCHEDULE SHOWING OWNERSHIP OF OIL AND GAS INTERESTS IN
ALL LANDS IN THE COOPERATIVE AREA

Tract No.	Description of Land	No. of Acres	Serial No. and Date of Lease	Basic Royalty & Percentage	Lessee of Record	Working Interest Owner and Percentage
	FEDERAL LAND					
	Township 17 South, Range 32 East					
1	Sec. 23: NW¼SW¼	40	LC 029400 (a) 8-11-39	USA - All	George H. Williams ½, Woodrow Williams ½	George H. Williams, 37.5% Julia M. Paschall, Administratrix of Estate of Woodrow W. Williams, 12.5% Tommie Knight Calley, Administrator of Estate of James F. Knight, 12.5% Malcolm Madera, 12.5% Weier Drilling Company, 25%
2	Sec. 19: N½ Sec. 20: N½	641.96	LC 029405 (a) 7-1-38	USA - All	Continental Oil Company	Continental Oil Company

3	Sec. 17:	W½, W½E½					
	Sec. 18:	E½, E½W½					
	Sec. 19:	S½	1601.96	LC 029405 (b)		Continental Oil	Continental Oil
	Sec. 20:	S½		7-1-48	USA - All	Company	Company
4	Sec. 33:	SW¼	160	LC 029409 (a)			*Continental Oil
				8-1-59	USA - All	Kewanee Oil Company	Company
5	Sec. 29:	W½, SE¼,		LC 029410 (a)		Carper Drilling	Carper Drilling
		E½NE¼	560	7-1-39	USA - All	Company, Inc.	Company, Inc.
6	Sec. 30:	W½, SE¼,					
		W½NE¼		LC 029410 (b)		Carper Drilling	Carper Drilling
	Sec. 31:	N½, W½SE¼	968.56	7-1-39	USA - All	Company, Inc.	Company, Inc.
7	Sec. 21:	W½, NE¼,					
		N½SE¼		LC 029509 (a)		Continental Oil	Continental Oil
	Sec. 22:	W½NW¼	640	8-3-29	USA - All	Company	Company
8	Sec. 21:	S½SE¼					
	Sec. 22:	NE¼, E½NW¼		LC 029509 (b)		Continental Oil	Continental Oil
		SW¼, NW¼SE¼	520	4-1-46	USA - All	Company	Company
9	Sec. 26:	E½NE¼	80	LC 030437 (a)		Drilling and	Drilling and
				12-12-39	USA - All	Exploration Company	Exploration Company

10	Sec. 15:	NW¼, N½SW¼, SE¼SW¼, W½SE¼,	360	LC 054687 10-15-37	USA - All	S. J. Iverson-1/3 Estate of D. B. Moore -1/2 of 15% of 2/3 First Nat. Bank of Galveston, Trustee for Francis B. Moore-12/50 of 15% of 2/3 Mrs. Frances B. Moore-13/50 of 15% of 2/3 Hudson & Hudson, Inc.-85% of 2/3	W. A. Hudson and E. R. Hudson, 56.667% S. J. Iverson, 33.333% First Nat. Bank of Galveston, Trustee for Francis B. Moore, 2.400% First Nat. Bank of Galveston, Guardian of Estate of John Knox Hutchings Moore and Donald Barllett Moore, Minors, 1.500% Charles M. Moore, 1.00% B. D. Moore, 1.00% Daniel W. Moore, 1.00% Carol Pauls Moore, .500% Charles H. Moore, B. D. Moore, Francis Moore Shelton and Daniel W. Moore, Independent Executors of Estate of Francis B. Moore, Deceased, 2.600%
10-B	Sec. 15:	SW¼SW¼	40	LC 054687 10-15-37	USA - All	W. A. Hudson and E. R. Hudson -2/3 S. J. Iverson -1/3	Continental Oil Company
11	Sec. 27: Sec. 28:	W½, SE¼, SW¼NE¼ NE¼NE¼ All	1200	LC 057210 9-1-43	USA - All	Kewanee Oil Company	*Continental Oil Company
12	Sec. 22:	E½SE¼, SW¼SE¼	120	LC 058395 5-15-34	USA - All	Fair Oil Company, ¼ Fair N and N Trust, 3/4	Fair Oil Company, 25% Fair N and N Trust, 75%

13	Sec. 35: NE¼	160	LC 058407 (b) 12-2-39	USA - All	Weier Drilling Company	Weier Drilling Company, 50% W. P. Hammond, 25% Mid-Continent Supply, 25%
14	Sec. 26: W½NE¼	80	LC 058408 (a) 12-12-39	USA - All	Fair Oil Company, 2/3 R. W. Fair, 1/3	Fair Oil Company, 66.66% R. W. Fair, 33.33%
15	Sec. 26: SE¼	160	LC 058408 (b) 12-12-39	USA - All	Fair Oil Company, 2/3 R. W. Fair, 1/3	Fair Oil Company, 66.66% R. W. Fair, 33.33%
16	Sec. 35: SE¼	160	IC 058409 (b) 12-12-39	USA - All	Hudson and Hudson, Inc.	Hudson and Hudson, Inc.
17	Sec. 34: NE¼	160	LC 058514 9-22-39	USA - All	Kewanee Oil Company	*Continental Oil Company
18	Sec. 23: S½SE¼	80	LC 058697 (a) 8-11-39	USA - All	Kewanee Oil Company	*Continental Oil Company
19	Sec. 25: All Township 17 South, Range 33 East Sec. 30: W½	968.56	LC 058697 (b) 8-11-39	USA - All	Kewanee Oil Company	*Continental Oil Company
20	Township 17 South, Range 32 East Sec. 23: N½SE¼, NE¼SW¼, S½SW¼ Sec. 26: S½NW¼	280	LC 058698 (a) 8-11-39	USA - All	Kewanee Oil Company	*Continental Oil Company
21	Sec. 23: N½ Sec. 35: W½	640	LC 058698 (b) 8-11-39	USA - All	Kewanee Oil Company	*Continental Oil Company

22	Sec. 26: SW¼	160	LC 058699 (a) 8-11-39	USA - All	Ross Sears	Virginia Sears and Mary Jo Vandiver, Co-Executrixs of Estate of Ross Sears, Deceased, 24.832% J. P. Pierce, 15.033% Zula Cockburn, 45.102% Jewell Smith, 11.275% Leon C. Smith. 3.758%
23	Sec. 34: E½NW¼	80	LC 058728 9-22-39	USA - All	Kewanee Oil Company	*Continental Oil Company
24	Sec. 33: N½, SE¼	480	LC 059001 (a) 9-22-39	USA - All	Kewanee Oil Company	*Continental Oil Company
25	Sec. 34: W½NW¼	80	LC 059002 9-22-39	USA - All	Kewanee Oil Company	*Continental Oil Company
26	Sec. 15: NE¼	160	LC 059576 6-1-41	USA - All	Leonard Nichols, ½ Margaret Boller Nichols, ½	Leonard Nichols, 50% Margaret Boller Nichols, 50%
27	Sec 29: W½NE¼	80	LC 060199 (a) 7-1-39	USA - All	**Mrs. E. G. Woods	Mary Katherine Fowles, 25% Charlotte Woods Runyan, 25% Virginia Woods Shaw, 25% Emily Ray, Trustee for Emily Katherine Flint and Rosemary Flint, 25%
28	Sec. 30: E½NE¼	80	LC 060199 (b) 7-1-39	USA - All	**Mrs. E. G. Woods	Mary Katherine Fowles, 25% Charlotte Woods Runyan, 25% Virginia Woods Shaw, 25% Emily Ray, Trustee for Emily Katherine Flint and Rosemary Flint, 25%

** This interest is in the process of being assigned to parties shown as working interest owners.

29	Sec. 17: Sec. 18:	E½E½ W½W½	323.76	LC 060329 12-1-58	USA - All	Kewanee Oil Company	*Continental Oil Company
30	Sec. 34:	N½SE¼	80	LC 060503 9-22-39	USA - All	Virginia Woods Shaw	Reading and Bates, Inc. rights to 5,000 feet; Virginia Woods Shaw, rights below 5,000 feet
31	Sec. 34:	SW¼	160	LC 061840 11-21-60	USA - All	F. B. Jackson, Jr.	F. B. Jackson, Jr.
32	Sec. 26:	N½NW¼	80	LC 061841 8-11-39	USA - All	Kewanee Oil Company	*Continental Oil Company
33	Sec. 14:	E½	320	LC 061842 8-11-39	USA - All	Kewanee Oil Company	*Continental Oil Company
34	Sec. 27:	NW¼NE¼, SE¼NE¼	80	LC 058396 5-15-34	USA - All	Fair Oil Company, 1/4 Fair N and N Trust, 3/4	Fair Oil Company, 25% Fair N and N Trust, 75%
35	Sec. 31:	E½SE¼	80	LC 069105 6-1-51	USA - All	Frank B. Stahl, 2/3 Stanley S. Sutton, 1/3	Neale Reger
36	Sec. 31:	SW¼	161.86	NM 03428 2-1-51	USA - All	Wilma E. Donahue, 65% Wilma Donahue Moleen, 15% Geo. Arnold Moleen, 10% Wilma Donahue Moleen, Trustee of Trust Estate of Geo. Edward Donahue Moleen, 10%	Wilma E. Donahue, 65% Wilma Donahue Moleen, 15% Geo. Arnold Moleen, 10% Wilma Donahue Moleen, Trustee of Trust Estate of Geo. Edward Donahue Moleen, 10%

37	Sec. 34: S½SE¼	80	NM 036852 9-22-39	USA - All	Ohio Oil Company	Ohio Oil Company
38	Sec. 15: E½SE¼	80	Unleased			

* Record title in process of being assigned to Continental Oil Company; Kewanee Oil Company has operating rights below datum of 700 feet below sea level (-700)

39 Federal tracts containing 12,186.66 acres, or 88.395% of Cooperative Area.

Tract No.	Description of Land	No. of Acres	Lease No. and Date of Lease	Basic Royalty & Percentage	Lessee of Record	Working Interest Owner and Percentage
	STATE LAND Township 17 South, Range 32 East					
39	Sec. 16: NW¼, S½SW¼	240	B-155 8-14-31	State of New Mexico - All	Texaco Inc.	Continental Oil Company rights to 4500 feet below surface. Texaco Inc. rights below 4500 feet.
40	Sec. 16: N½SW¼	80	E-611 11-10-45	State of New Mexico - All	Gulf Oil Corporation	Roy H. Smith Drilling Co., rights to 4350 feet; Gulf Oil Corporation, rights below 4350 feet
41	Sec. 16: NE¼, W½SE¼ NE¼SE¼	280	B-2366-9 1-8-34	State of New Mexico - All	Continental Oil Company	Continental Oil Company
42	Sec. 16: SE¼SE¼	40	B-4062 4-3-35	State of New Mexico - All	Continental Oil Company	Continental Oil Company
43	Sec. 32: N½NE¼	80	B-4109-19 4-10-35	State of New Mexico - All	A. H. Hover	Thelma Kersey Methvin, 2.213% M. E. Daniel, 14.580% Harold Kersey, 55.338% W. O. MvIntyre, 7.291% Leonard Vandiver, 7.291% Gertrude B. Kersey, 11.067% Margaret K. Holcomb, 2.213%

44	Sec. 32:	SE¼NE¼	40	B-4109-21 4-10-35	State of New Mexico - All	A. H. Hover	Mary Ruth Fritschi, 3.750% Robert Inlock, 1.560% Edith A. Hover, 30.156% W. D. McIntyre, 5.468% Leonard Vandiver, 5.468% Harold Kersey, 31.354% Gertrude B. Kersey, 18.476% Thelma Kersey Methvin, 1.884% Margaret K. Holcomb, 1.884%
45	Sec. 32:	SW¼NE¼	40	B-4109-23 4-10-35	State of New Mexico - All	A. H. Hover	Mary Ruth Fritschi, 3.750% Robert Inlock, 1.560% Edith A. Hover, 30.156% W. D. McIntyre, 5.468% Leonard Vandiver, 5.468% Harold Kersey, 31.354% Gertrude B. Kersey, 18.476% Thelma Kersey Methvin, 1.884% Margaret K. Holcomb, 1.884%
46	Sec. 32:	NW¼NW¼	40	B-4109-24 4-10-35	State of New Mexico - All	A. H. Hover	A. H. Hover and Edith A. Hover, 12.5% James R. Mollett, 12.5% First National Bank of Albuquerque, 75%
47	Sec. 32:	NE¼NW¼	40	B-4109-33 4-10-35	State of New Mexico - All	J. K. Wallingford	J. K. Wallingford, 25% Leon C. Smith and Frank B. Marshall, 75%
48	Sec. 32:	NE¼SE¼	40	B-6768-21 11-10-36	State of New Mexico - All	Martin Yates, Jr.	Yates Brothers, 33.333% S. P. Yates, 33.333% Dixon & Yates Oil Company, 33.333%
49	Sec. 32:	NE¼SW¼, NW¼SE¼, S½SE¼	160	B-6768-27 11-10-36	State of New Mexico - All	Martin Yates, Jr.	Yates Brothers, 33.333% S. P. Yates, 33.333% Dixon & Yates Oil Company, 33.333%

50	Sec. 32:	S½NW¼, S½SW¼, NW¼SW¼	200	OG-5119 2-17-59	State of New Mexico - All	Gulf Oil Corporation	Gulf Oil Corporation

12 State tracts, containing 1280 acres, or 9.284% of Cooperative Area

Tract No.	Description of Land	No. of Acres	Expiration Date of Lease	Basic Royalty & Percentage	Lessee of Record	Working Interest Owner and Percentage
	FEE AND PRIVATLEY OWNED LANDS					
	Township 17 South, Range 32 East					
51	Sec. 14: SW¼	160	8-17-61 5-21-61	Kyle W. Taylor, 1/4 of 3/8 Ella Belle Taylor, 1/4 of 3/8 Zack Taylor, 1/2 of 3/8 Gardner Petroleum Corporation, 1/8	Kewanee Oil Company, 56/64 H. H. King, 8/64	*Continental Oil Company, 87.5% H. H. King, 12.5%
52	Sec. 14: S½NW¼, NW¼NW¼	120	H.B.P.	Zack Taylor, 15/64 Kyle W. Taylor, 15/128 Ella B. Taylor, 15/128 Gardner Petroleum Corporation, 5/16 Barkman & Reush Drilling Company, 1/16 Fred W. Reush, 1/16 Bob Bradshaw, 1/16 James W. Campbell, 1/32	Ohio Oil Company	Leonard Nichols rights to 4240 feet, Ohio Oil Company rights below 4240 feet

53	Sec. 14: NE¼NW¼	40	H.B.P.	Zack Taylor, ½ Ella B. Taylor, ¼ Kyle W. Taylor, ¼	Ohio Oil Company	Leonard Nichols rights to 4240 feet, Ohio Oil Company rights below 4240 feet

3 Fee and Privately Owned tracts containing 320 acres, or 2.321% of Cooperative Area

CERTIFICATE OF APPROVAL

BY COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

OF

SUPPLEMENTAL AND AMENDATORY AGREEMENT TO

MALJAMAR COOPERATIVE REPRESSURING AGREEMENT

(Supplement No. 4)

I Sec. No. 341

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, the attached Agreement for the development and operation of acreage which is described within the attached Agreement, dated December 1, 1959, which has been executed or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

(a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.

(b) That under the proposed agreement the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.

(c) That each beneficiary institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.

(d) That such agreement is in other respects for the best interests of the State, with respect to State lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 7-11-39, 7-11-40, 7-11-41, 7-11-47, 7-11-48, New Mexico Statutes Annotated 1953 Compilation, I, the undersigned, Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes. Said Supplemental and Amendatory Agreement to the Maljamar Cooperative Repressuring Agreement shall become effective as of the first day of the month following approval by the Secretary of the Interior or his duly authorized representative.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 23rd day of December, 1959.

Commissioner of Public Lands
of the State of New Mexico

Kewanee Counterpart

SUPPLEMENTAL AND AMENDATORY AGREEMENT TO

MALJAMAR COOPERATIVE REPRESSURING AGREEMENT

(Supplement No 4)

I Sec. No 341

THIS AGREEMENT, made and entered into as of the 1st day of December, 1959, by and between the parties subscribing, ratifying or consenting hereto and herein referred to as the "parties hereto,"

WITNESSETH:

WHEREAS, on the 5th day of August, 1941, an agreement entitled "Maljamar Cooperative Repressuring Agreement" was made and entered into by and between certain parties owning oil and gas leasehold interests within the cooperative area, hereinafter described, which said agreement was approved by the Secretary of the Interior on September 29, 1941; and,

WHEREAS, said agreement was supplemented and amended by the parties thereto as of July 22, 1944, and approved by the Secretary of the Interior on March 1, 1945, being an agreement entitled "Supplement to Maljamar Cooperative Repressuring Agreement (Supplement No.1);" and,

WHEREAS, said agreement was further supplemented and amended by a certain agreement made and entered into by and between the parties thereto as of October 25, 1949, and approved by the Secretary of the Interior on March 9, 1950, and by the Commissioner of Public Lands of the State of New Mexico on May 11, 1950, which said agreement was entitled "Supplement and Amendments to Maljamar Cooperative Repressuring Agreement (Supplement No. 2;" and,

WHEREAS, said agreement was further supplemented and amended by a certain agreement made and entered into by and between the parties

thereto as of November 16, 1953, and approved by the Secretary of the Interior on the 11th day of February, 1954, and by the Commissioner of Public Lands of the State of New Mexico, on the 28th day of June, 1954, which said agreement was entitled "Supplemental and Amendatory Agreement to Maljamar Cooperative Repressuring Agreement (Supplement No. 3);" and,

WHEREAS, the parties to said Maljamar Cooperative Repressuring Agreement, hereinafter referred to as "Maljamar Cooperative Agreement" and supplements and amendments thereto, acting under and pursuant to the provisions thereof, have heretofore constructed and operated a certain gas gathering system, compressors, gasoline plant and residue gas high pressure return system for the return of gas to input wells located within the cooperative area, hereinafter described, for pressure maintenance and other purposes and said parties have sold said gathering system, compressors, gasoline plant, high pressure residue return system and all other equipment and personal property used in connection therewith to the Continental Oil Company, one of the parties hereto, effective date of this Supplemental and Amendatory Agreement to the Maljamar Cooperative Agreement; and,

WHEREAS, the said Continental Oil Company has entered into certain casinghead gas contracts with each of the other parties signatory hereto under the terms of which Continental agrees to purchase and process the casinghead gas and to return the residue gas or so much thereof as may be necessary for pressure maintenance purposes and the parties are desirous of amending said Maljamar Cooperative Agreement as heretofore supplemented and amended to provide for the separate operation of said gathering system, compressors, gasoline plant and other equipment; and,

WHEREAS, some of the parties hereto are the owners and holders of certain leasehold interests within the cooperative area

hereinafter described which have not heretofore been committed to said Maljamar Cooperative Agreement and are desirous of committing all of their leasehold interests within the cooperative area to said agreement as supplemented and amended; and,

WHEREAS, due to the fact that most of the provisions of the said Maljamar Cooperative Agreement have been supplemented and amended by the three supplemental agreements, above referred to, the parties hereto are desirous of incorporating all of the previous supplements and amendments together with additional supplements and amendments into one instrument.

NOW, THEREFORE, in consideration of the premises, it is mutually agreed by and between the parties hereto that the Maljamar Cooperative Repressuring Agreement of August 5, 1941, as heretofore supplemented and amended, shall be and the same is hereby further supplemented and amended so that the following articles, as hereinafter set forth, shall be substituted for the original Maljamar Cooperative Agreement and all supplements and amendments thereto.

I

ENABLING ACT AND REGULATIONS: The Mineral Leasing Act of February 25, 1920, as amended (41 Stat. 437, 30 U.S.C., Secs. 181 et seq.) and all valid pertinent regulations, including operating and cooperative plan regulations, heretofore issued thereunder, or valid, pertinent and reasonable regulations hereafter issued thereunder, are accepted and made a part of this agreement as to federal lands, provided such regulations are not inconsistent with the terms of this agreement; and as to non-federal lands the oil and gas operating regulations in effect as of the effective date hereof governing drilling and producing operations, not inconsistent with the terms hereof or the laws of the State of New Mexico, are hereby accepted and made a part of this agreement.

II

COOPERATIVE AREA: The following described land is hereby designated and recognized as constituting the cooperative area:

Township 17 South, Range 32 East, N.M.P.M.
Lea County, New Mexico:

Sections 14 to 22, inclusive
Sections 25 to 35, inclusive

Township 17 South, Range 33 East, N.M.P.M
Lea County, New Mexico

West Half (W/2) Section 30

containing 13,786.66 acres, more or less

There is attached hereto, as Exhibit "A", a map showing the cooperative area, the classes of land involved, the boundaries of the respective leasehold interests within said area, and the tract numbers corresponding to the tract numbers shown on Exhibit "B" attached hereto. Exhibit "B" is a schedule describing the leasehold interests within the cooperative area and showing the ownership thereof. Exhibits "A" and "B" may be revised by the Operators Committee whenever changes in the cooperative area render such revisions necessary or when requested by the Oil and Gas Supervisor, hereinafter referred to as "Supervisor," or when requested by the Commissioner of Public Lands of the State of New Mexico, hereinafter referred to as "Commissioner," and not less than seven copies of the revised exhibits shall be filed with the Supervisor and one copy thereof shall be filed with the Commissioner and one copy with the New Mexico Oil Conservation Commission, hereinafter referred to as "Commission."

III

SUBSTANCES UNITIZED AND TO BE PRODUCED COOPERATIVELY: All oil, gas and associated hydrocarbon substances produced from any leasehold within the cooperative area committed to this agreement shall be subject to the provisions hereof and all casinghead gas produced and used for pressure maintenance or secondary recovery purposes shall be considered as unitized and shall be subject to general allocation as herein provided and such gas is hereinafter referred to as "unitized substance."

All development and operations except pressure maintenance and secondary recovery operations which are to be conducted cooperatively pursuant to this agreement shall be conducted and managed by each lessee but each lessee hereby agrees not to produce from any well at a higher gas-oil ratio than the Operators Committee shall stipulate.

IV

OPERATORS COMMITTEE: An Operators Committee is hereby created, hereinafter referred to as the "Operators Committee," consisting of one member to be appointed by each of the parties hereto having a leasehold interest committed hereto and a producing well or wells located thereon. Any member appointed or elected to serve on the Operators Committee may be changed from time to time by the owner or owners of such leasehold interest appointing a new member and by notifying in writing the other members of the Operators Committee or the other parties hereto owning leasehold interests committed to this agreement of such action. Where any leasehold interest described as a separate tract on Exhibit "B" attached hereto is owned by more than one person or corporation the owners of such tract shall designate a representative to represent such owners and to serve on the Operators Committee.

The Operators Committee shall act upon and determine all matters properly coming before the Committee with regard to pressure maintenance and secondary recovery operations which are to be conducted pursuant to the terms of this agreement. All matters shall be determined by a vote of the members of the Operators Committee and each member of the Committee shall be entitled to a vote equal to the proportion that the number of 40-acre proration units, each having located thereon a producing or input well committed to this agreement

and represented by such member, bears to the total number of such 40-acre units within the cooperative area committed to this agreement. Except as herein otherwise provided, a vote of the majority percentage interest of the owners shall be binding upon all of the parties hereto; provided, however, should the interest of any one of the parties hereto constitute 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.

It shall be the duty of the Operators Committee to plan, coordinate, direct, supervise and manage all pressure maintenance and secondary recovery operations which may be carried on upon the cooperative area as well as any other operations which may be authorized by this agreement and said Operators Committee shall have full power and authority to do and perform every act and thing necessary or required to carry out to all intents and purposes the objects and purposes hereof, including but not limited to the following:

A. 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.

B. To meet at the call of the Chairman or any member of the Operators Committee for the purpose of considering any business affecting the cooperative area subject hereto.

C. To provide for the allocation of unitized gas to be injected into wells within the cooperative area for purposes of pressure maintenance and secondary recovery operations.

D. To promote the economical and efficient recovery of oil, gas and other hydrocarbon substances cooperatively produced from the cooperative area through the operation of pressure maintenance, waterfloods and other secondary recovery projects. To enter into contracts, leases or other agreements necessary or required to construct, operate, and maintain proper pressure maintenance and water flood facilities and equipment.

All costs and expenses incurred by the Operators Committee in connection with operations conducted pursuant to the terms of this agreement shall be apportioned among and borne by the parties hereto in accordance with an operating agreement entered into by and between the parties hereto, hereinafter referred to as the "cooperative operating agreement," which agreement shall provide for the accounting procedure to be followed in connection with all operations hereunder.

V

LEASEHOLD INTERESTS COMMITTED: All lands within the cooperative area not heretofore committed to the terms of this agreement which are now owned or operated by any of the parties hereto shall be and are hereby committed to this agreement and the parties hereto agree to commit any lands within the cooperative area which may hereafter be owned or operated by such parties in the manner hereinafter provided subject to the approval of the Operators Committee.

VI

EXPANSION OF COOPERATIVE AREA: The cooperative area may be expanded to embrace lands contiguous to the cooperative area with the approval of the Director of the United States Geological Survey, hereinafter referred to as "Director," and the Commissioner and upon ratification and consent of the terms and conditions of this agreement and such operating agreement as may be agreed to by and between the parties hereto and all of the owners of the leasehold interests being committed.

VII

ALLOCATION OF PRODUCTION: All unitized gas produced from any leasehold committed to the cooperative area shall be subject to sale by the respective owners of interests of the leasehold from which produced but so long as the use of all or any portion of said gas is necessary or required to operate and maintain a pressure maintenance project for the benefit of the entire cooperative area the Operators Committee may require so much of the residue gas after being processed as may be necessary to be returned by allocation

for pressure maintenance purposes to such leaseholds as the Operators Committee may direct, the general allocation of such unitized gas to be determined from time to time by the Operators Committee so as to promote the greatest ultimate recovery of oil, gas and other hydrocarbon substances from the cooperative area.

VIII

NATURAL GASOLINE, OTHER PRODUCTS AND RESIDUE GAS: As of the effective date of this Supplemental and Amendatory Agreement, Continental Oil Company, hereinafter referred to as "Continental," one of the parties hereto, is to be the owner of the gasoline plant, gathering system, compressors and high pressure return system returning residue gas to input wells heretofore operated for pressure maintenance purposes within the cooperative area. Each of the parties hereto, other than the Continental, has entered into a casinghead gas contract with the said Continental which shall also be effective as of the effective date of this Supplemental and Amendatory Agreement under the terms of which all gas produced from the respective leasehold interests committed to the cooperative area is to be sold to Continental. Each of the parties hereto, as such a seller, authorizes the Operators Committee to take delivery of so much of the residue gas as the Operators Committee determines, from time to time, to be necessary in connection with pressure maintenance operations being conducted hereunder; provided, however, the residue gas produced from any zone or zones included in any pressure maintenance project shall, insofar as practicable, be returned to such zone or zones and if it is necessary, in the discretion of the Operators Committee in carrying on any pressure maintenance project, to use residue gas produced from any zone which is not included within such project, the gas so produced and used shall be paid for by the Operators Committee at the prevailing price being paid for residue gas at the plant and the proceeds shall be

distributed as any other residue gas sale proceeds are distributed when made pursuant to the casinghead gas contracts above referred to and, in addition, the Operators Committee shall pay the compression charge as provided in said contracts or such other compression charge as may be mutually agreed upon by the Operators Committee and Continental; and, provided further, that when and if all residue gas is not required for pressure maintenance purposes then the Operators Committee shall receive such gas proportionately from the gas delivered by each party hereto to Continental.

In connection with the operation of said plant, gathering such gas, compressing and returning the same for injection to the cooperative area, each party hereto hereby grants unto Continental, insofar as each said party has the power so to do, all such rights-of-way or easements for said gathering of gas, the extraction of products, the compression of gas, and the return of high pressure gas to the injection wells within the cooperative area.

IX

TAXES: The Operators Committee shall attend to the rendition for the payment of any ad valorem taxes assessed against any property owned and operated cooperatively hereunder.

X

RIGHT OF PARTIES TO INSPECT PROPERTY AND RECORDS: The following specific rights, privileges and obligations of the Operators Committee are hereby expressly provided, but not by way of limitation or exclusion of any other rights, privileges and obligations of the respective parties:

a. The Operators Committee shall have access to the entire cooperative area subject hereto at all reasonable times, to inspect and observe operations of every kind and character upon the property.

b. The Operators Committee shall have access, at all reasonable times to any and all information pertaining to wells drilled, production secured, oil marketed, and to books, records, and vouchers relating to the operation of said cooperative area subject hereto.

c. Operators of leases shall upon request, furnish the Operators Committee true and complete copies of well logs, tank tables, daily gauge and run tickets, and reports of stock on hand at the first of each month, and shall also, upon request, make available samples and cuttings from any and all wells drilled by them in the cooperative area subject hereto.

XI

PRESSURE MAINTENANCE AND SECONDARY RECOVERY OPERATIONS:

For the purpose of conserving the natural resources and of securing the greatest ultimate practical recovery of oil and gas in the cooperative area, all casinghead gas produced from properties subject hereto except gas used for development and operations or unavoidably lost shall be dedicated to the return, insofar as practicable, to the Grayburg and San Andres oil producing formations and any other producing formations of the cooperative area which the Operators Committee may determine with the approval of the Supervisor, Commissioner and Commission should be included in a pressure maintenance project or projects. Each lease owner shall equip all wells subject hereto with conventional field separators in a manner approved by the Operators Committee for the separation of oil and gas and all casinghead gas or so much thereof as may be necessary subject to processing as herein provided shall be dedicated to pressure maintenance and secondary recovery operations.

The Operators Committee shall supervise the injection of gas into any producing formation, determine injection pressures and rates, control input wells located within the cooperative area and do such other things as are appropriate for effectively operating and controlling a proper injection program.

The Operators Committee may, with the approval of the Supervisor, Commissioner and Commission, inaugurate, maintain and expand from time to time a water flood project or projects for the purpose of obtaining the greatest ultimate recovery of oil and gas from any

producing formation within the cooperative area and said Committee shall determine, subject to the approval of the Supervisor, Commissioner and Commission where such approval is required, the location of all injection wells and the amount of water to be injected in any well or wells and shall have the right to purchase, contract for, develop or otherwise acquire water for water flooding operations and to construct, maintain and operate all supply lines, pumps, water lines and other facilities and equipment which may be necessary or required in connection with any such operation and all costs in connection with any such water flood project shall be borne by the parties hereto as may be mutually agreed upon and provided for in any cooperative operating agreement which may be entered into by the parties hereto in connection with this agreement.

XII

RENTAL SETTLEMENT: Rental or minimum royalties due on leases committed hereto shall be paid by the working interest owners responsible therefor under existing contracts, laws and regulations; provided nothing herein contained shall operate to relieve the lessees or any land from their respective lease operations for the payment of any rental or minimum royalty in lieu thereof due under their leases. Rental or minimum royalty for lands of the United States subject to this agreement shall be paid at the rate specified in the respective leases from the United States unless such rental or minimum royalty is waived, suspended or reduced by law or by approval of the Secretary or his duly authorized representative.

Rentals on State of New Mexico land subject to this agreement shall be paid at the rate specified in the respective leases.

With respect to any committed lease on privately owned lands containing provisions which would terminate such lease unless drilling

operations were within the time therein specified commenced upon the lands covered thereby or rentals paid for the privilege of deferring such drilling operations, the rental required thereby shall, notwithstanding any other provision of this agreement, be deemed to accrue and become payable during the term thereof until oil or gas is being produced from some part of the lands embraced therein.

XIII

ROYALTY SETTLEMENT: Each party hereto shall pay all royalties, overriding royalties, production payments or other burdens created in connection with any leasehold interest committed to this agreement.

Royalties due the United States and the State of New Mexico and to other lessors shall be paid by the respective owners of leasehold interests committed hereto at the rates and in the manner specified in the respective leases. Settlement for all royalties shall be made by the respective owners responsible therefor under existing contracts, laws and regulations on or before the last day of each month for oil and gas produced during the preceding calendar month.

It is expressly understood and agreed that beginning at the end of the respective 20-year terms, or any extension thereof other than that provided in Section XV (b) hereof, of any federal leases containing provisions for the payment of a five per cent rate of royalty to the United States, the royalty rate on all such leases not committed to this agreement prior to the effective date of this amendment (Supplement #4) shall be the same rate as would be applicable to renewal leases in the absence of said Maljamar Cooperative Agreement as amended.

XIV

CONSERVATION: Operations hereunder and production of oil and gas from the leasehold interest committed to the cooperative

area shall be conducted in a manner to provide for the most economical and efficient recovery of oil and gas without waste as defined by or pursuant to state or federal law or regulation.

XV

LEASES CONFORMED TO AGREEMENT: The terms, conditions, and provisions of all leases, subleases, and other contracts relating to exploration, drilling, development or operation for oil or gas of lands committed to this agreement are hereby expressly modified and amended to the extent necessary to make the same conform to the provisions hereof, but otherwise to remain in full force and effect; and the parties hereto hereby consent that the Secretary as to federal leases and the Commissioner as to state leases shall and each by his approval hereof, or by the approval hereof by his duly authorized representative, does hereby establish, alter, change or revoke the drilling, producing, rental, minimum royalty, and royalty requirements of federal and state leases committed hereto and the regulations in respect thereto to conform said requirements to the provisions of this agreement, and, without limiting the generality of the foregoing, all leases, subleases, and contracts are particularly modified in accordance with the following:

(a) Each lease, sublease or contract relating to the exploration, drilling, development or operation for oil or gas of lands other than those of the United States committed to this agreement, which, by its terms might expire prior to the termination of this agreement, is hereby extended beyond any such term so provided therein so that it shall be continued in full force and effect for and during the term of this agreement.

(b) Any federal lease for a term of twenty years, or any renewal thereof, or any portion of such lease which is made subject to this agreement, shall continue in force beyond the term provided therein until the termination hereof. Any other federal lease committed hereto shall continue in force beyond the term so provided

therein or by law as to the land committed so long as such lease remains subject hereto, provided that production is had in paying quantities under this agreement prior to the expiration date of the term of such lease.

(c) Each sublease or contract relating to the operation and development of oil and gas from lands of the United States, committed to this agreement, which by its terms would expire prior to the time at which the underlying lease, as extended by the immediately preceding paragraph, will expire, is hereby extended beyond any such term so provided therein so that it shall be continued in full force and effect for and during the term of the underlying lease as such term is herein extended.

(d) The segregation of any federal lease committed to this agreement is governed by the following provision in the fourth paragraph of Sec. 17(b) of the Act, as amended by the Act of July 29, 1954, (68 Stat. 583, 585): "Any (federal) lease hereafter committed to any such plan embracing lands that are in part within and in part outside of the area covered by any such plan shall be segregated into separate leases as to the lands committed and the lands not committed as of the effective date of unitization: Provided, however, That any such lease as to the nonunitized portion shall continue in force and effect for the term thereof but for not less than two years from the date of such segregation and so long thereafter as oil or gas is produced in paying quantities."

(e) Any lease embracing lands of the State of New Mexico having only a portion of its lands committed hereto shall be segregated as to the portion committed and as to the portion not committed and the terms of such leases shall apply separately as to such segregated portions commencing as of the effective date hereof. Notwithstanding any of the provisions of this agreement to the contrary, any lease embracing lands of the State of New Mexico having only a portion of its lands committed hereto shall continue in full force and effect

beyond the term provided therein as to all lands embraced in such lease, if oil and gas, or either of them, are discovered and are capable of being produced in paying quantities from some part of the lands (either within or without the cooperative area) embraced in such lease committed to this agreement at the expiration of the secondary term of such lease; or if, at the expiration of the secondary term, the lessee is then engaged in bona fide drilling or reworking operations on some part of the lands embraced therein shall remain in full force and effect so long as such operations are being diligently prosecuted, and if they result in the production of oil or gas, said lease shall continue in full force and effect as to all of the lands embraced therein, so long thereafter as oil and gas, or either of them, are being produced in paying quantities from any portion of said lands.

XVI

COVENANTS RUN WITH LAND: The covenants herein shall be construed to be covenants running with the land with respect to the interest of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer, or conveyance of interest in land or leases subject hereto shall be and hereby is conditioned upon the assumption of all privileges and obligations hereunder by the grantee, transferee, or other successor in interest.

XVII

EFFECTIVE DATE AND TERM: This Supplemental and Amendatory Agreement shall become effective as of the first day of the month following approval by the Commissioner and the Secretary of the Interior or their duly authorized representatives and shall remain in effect so long thereafter as pressure maintenance or water flood or other secondary recovery operations are conducted pursuant to the terms hereof; provided, however, this agreement may be terminated at

any time by an affirmative vote of the Operators Committee, with the approval of the Commissioner and the Director, upon making a finding or a determination that such pressure maintenance, water flood or other secondary recovery operations within the cooperative area subject hereto are not successful or are impracticable, such determination to be made by a vote of the Operators Committee taken as provided in Article IV hereof.

XVIII

RATE OF PROSPECTING, DEVELOPMENT AND PRODUCTION: All production and the disposal thereof shall be in conformity with allocations and quotas made or fixed by any duly authorized person or regulatory body under any federal or state statute. The Director is hereby vested with authority to alter or modify from time to time, in his discretion, the rate of prospecting and development and within the limits made or fixed by the Commission to alter or modify the quantity and rate of production under this agreement, such authority being hereby limited to alteration or modification in the public interest, the purpose thereof and the public interest to be served thereby to be stated in the order of alteration or modification; provided, further, that no such alteration or modification shall be effective as to any land of the State of New Mexico as to the rate of prospecting and development in the absence of the specific written approval thereof by the Commissioner and as to any lands of the State of New Mexico or privately-owned lands subject to this agreement as to the quantity and rate of production in the absence of specific written approval thereof by the Commission.

Powers in this section vested in the Director shall only be exercised after notice to the Operators Committee and opportunity for hearing to be held not less than fifteen days from notice.

XIX

EXISTING AGREEMENTS NOT CANCELLED: The parties hereto and all parties consenting to this agreement agree that this agreement shall not cancel or supersede the existing leases, drilling and operating agreement, overriding royalty agreements, or other agreements affecting the cooperative area owned or held by the parties subscribing or consenting hereto, and the same shall continue in full force and effect except to the extent that they, or any one or more thereof, are in conflict with the provisions of or are modified by this agreement; and in case of conflict between this agreement and any one or more of said leases, drilling and operating agreements, overriding royalty agreements or other agreements, the provisions of this agreement during its effectiveness shall govern and control, and such other agreements shall be and the same are hereby modified and amended accordingly.

XX

SUSPENSION OF OBLIGATIONS: Anything in this agreement, or any portion thereof, or in said leases, drilling and operating agreements, overriding royalty agreements or any other agreement or agreements to the contrary notwithstanding, it is hereby expressly agreed that the obligations of the holder or holders of rights signatory hereto under such leases, drilling and operating agreements, overriding royalty agreements, or any other agreement or agreements, shall be suspended to the extent that performance is prevented by weather conditions, strikes, lockouts, acts of God, or calamitous visitations, unavoidable accidents, rules and regulations of federal, state or other governmental agency under asserted authority, or for any cause beyond the control of the respective owners of operating rights signatory hereto.

XXI

NOTICES: All notices or demands to be given hereunder to parties signatory hereto or consenting hereto, or statements to be

rendered, may be given by mail to addresses set forth in connection with signatures hereto and to consents hereof, provided that any change in address shall be binding upon the Operators Committee if given by registered mail to said Committee.

XXII

NO WAIVER OF CERTAIN RIGHTS: Nothing in this agreement contained shall be construed as a waiver by any party signatory hereto or consenting to this agreement of the right to assert any legal or constitutional right or defense as to the validity or invalidity of any law of the State of New Mexico, of the United States, or regulations issued thereunder in any way affecting such party, or as a waiver by any such party of any right beyond his or its authority to waive.

Nothing in this agreement may be construed to permit anyone to do anything to jeopardize the validity of the leases.

Nothing in this instrument shall be construed to increase or decrease the authority of the Secretary of the Interior acting through the Supervisor or otherwise to control and direct the operations under any lease of federal lands made subject hereto.

XXIII

STATUS OF PARTIES AND SUBSEQUENT JOINDER: Nothing in this agreement contained, implied or contemplated shall create or be deemed to have created a partnership, joint venture or joint association of the parties signatory hereto or any of them.

Any owner or owners of the entire working interest in and to any leasehold interest embracing lands within the cooperative area may join in this agreement and commit such lands hereto by executing a counterpart hereof at any time within one year from the effective date of this Supplemental and Amendatory Agreement and executing any cooperative operating agreement which may have been entered into between the parties hereto in connection with this

agreement. Thereafter, any party or parties owning such a working interest in lands within the cooperative area may join this agreement and commit such interest hereto only upon such terms and conditions as the Operators Committee may determine with the approval of the Commissioner and the Director. The period of one year for subsequent joinder provided hereinabove may be shortened or terminated by an affirmative vote of the Operators Committee and approval of the Commissioner and the Director.

XXIV

WARRANTY OF TITLE: Each of the parties hereto except the United States and the State of New Mexico warrants and agrees to defend the title to the rights and interests committed by the respective parties to this agreement as shown on Exhibit "B" attached hereto.

XXV

COUNTERPARTS: This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument in writing specifically referring hereto and shall be binding upon all those parties who have executed such a counterpart, ratification, or consent hereto with the same force and effect as if all such parties had signed the same document and regardless of whether or not it is executed by all other parties owning or claiming an interest in the lands within the above described cooperative area.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed and have set opposite their respective names the date of execution.

CONTINENTAL OIL COMPANY

By _____

Date Signed: Attest: CARPER DRILLING COMPANY, INC.

_____ _____ By_____

Date Signed:

_____ _____

Zula Cockburn

_____

Date Signed: Attest: DRILLING AND EXPLORATION COMPANY

_____ _____ By_____

Date Signed: Attest FAIR N & N TRUST

_____ _____ By_____

Date Signed: Attest: FAIR OIL COMPANY

_____ _____ By_____

Date Signed:

_____ _____

R. W. Fair

_____

Date Signed: Attest: GULF OIL CORPORATION

_____ _____ By_____

Date Signed: Attest: KEWANEE OIL COMPANY

12-18-79 ASSISTANT SECRETARY By VICE PRESIDENT

Date Signed:

_____ _____

H. H. King

_____

Date Signed:

_____ _____

Tommie Knight Calley, Administrator
of Estate of James F. Knight

STATE OF)
COUNTY OF) ss.

The foregoing instrument was acknowledged before me this_____ day of_____, 19__, by_____, _____of Fair Oil Company, a_____ corporation on behalf of said corporation.

My Commission Expires:

_____

_____
Notary Public

STATE OF)
COUNTY OF) ss.

The foregoing instrument was acknowledged before me this_____ day of_____,19__, by R. W. Fair_____ _____.

My Commission Expires:

_____

_____
Notary Public

STATE OF)
COUNTY OF) ss.

The foregoing instrument was acknowledged before me this_____ day of_____, 19__, by_____, _____of Gulf Oil Corporation, a_____ corporation on behalf of said corporation.

My Commission Expires:

_____

_____
Notary Public

STATE OF Oklahoma)
COUNTY OF Tulsa) ss.

The foregoing instrument was acknowledged before me this 18th day of December, 1959, by F. D. BAKER, VICE-PRESIDENT of Kewanee Oil Company, a Delaware corporation on behalf of said corporation.

My Commission Expires:
My Commission Expires June 4, 1963

Marjorie J. Brophy
Marjorie J. Brophy Notary Public

STATE OF)
COUNTY OF) ss.

The foregoing instrument was acknowledged before me this_____ day of_____, 19__, by H. H. King_____ _____.

My Commission Expires:

_____

_____
Notary Public

EXHIBIT "B"
MALJAMAR COOPERATIVE REPRESSURING AGREEMENT
TOWNSHIP 17 SOUTH, RANGE 32 EAST and RANGE 33 EAST
LEA COUNTY, NEW MEXICO

SCHEDULE SHOWING OWNERSHIP OF OIL AND GAS INTERESTS IN
ALL LANDS IN THE COOPERATIVE AREA

Tract No.	Description of Land	No. of Acres	Serial No. and Date of Lease	Basic Royalty & Percentage	Lessee of Record	Working Interest Owner and Percentage
	FEDERAL LAND					
	Township 17 South, Range 32 East					
1	Sec. 23: NW¼SW¼	40	LC 029400 (a) 8-11-39	USA - All	George H. Williams ½, Woodrow Williams ½	George H. Williams, 37.5% Julia M. Paschall, Administratrix of Estate of Woodrow W. Williams, 12.5% Tommie Knight Calley, Administrator of Estate of James F. Knight, 12.5% Malcolm Madera, 12.5% Weier Drilling Company, 25%
2	Sec. 19: N½ Sec. 20: N½	641.96	LC 029405 (a) 7-1-38	USA - All	Continental Oil Company	Continental Oil Company

3	Sec. 17: Sec. 18: Sec. 19: Sec. 20:	W½, W½E½ E½, E½W½ S½ S½	1601.96	LC 029405 (b) 7-1-48	USA - All	Continental Oil Company	Continental Oil Company
4	Sec. 33:	SW¼	160	LC 029409 (a) 8-1-59	USA - All	Kewanee Oil Company	*Continental Oil Company
5	Sec. 29:	W½, SE¼, E½NE¼	560	LC 029410 (a) 7-1-39	USA - All	Carper Drilling Company, Inc.	Carper Drilling Company, Inc.
6	Sec. 30: Sec. 31:	W½, SE¼, W½NE¼ N½, W½SE¼	968.56	LC 029410 (b) 7-1-39	USA - All	Carper Drilling Company, Inc.	Carper Drilling Company, Inc.
7	Sec. 21: Sec. 22:	W½, NE¼, N½SE¼ W½NW¼	640	LC 029509 (a) 8-3-29	USA - All	Continental Oil Company	Continental Oil Company
8	Sec. 21: Sec. 22:	S½SE¼ NE¼, E½NW¼, SW¼, NW¼SE¼	520	LC 029509 (b) 4-1-46	USA - All	Continental Oil Company	Continental Oil Company
9	Sec. 26:	E½NE¼	80	LC 030437 (a) 12-12-39	USA - All	Drilling and Exploration Company	Drilling and Exploration Company

10	Sec. 1:	NW¼, N½SW¼, SE¼SW¼, W½SE¼,	360	LC 054687 10-15-37	USA - All	S. J. Iverson-1/3 Estate of D. B. Moore -1/2 of 15% of 2/3 First Nat. Bank of Galveston, Trustee for Francis B. Moore-12/50 of 15% of 2/3 Mrs. Frances B. Moore-13/50 of 15% of 2/3 Hudson & Hudson, Inc.-85% of 2/3	W. A. Hudson and E. R. Hudson, 56.667% S. J. Iverson, 33.333% First Nat. Bank of Galveston, Trustee for Francis B. Moore, 2.400% First Nat. Bank of Galveston, Guardian of Estate of John Knox Hutchings Moore and Donald Barllett Moore, Minors, 1.500% Charles M. Moore, 1.00% B. D. Moore, 1.00% Daniel W. Moore, 1.00% Carol Pauls Moore, .500% Charles H. Moore, B. D. Moore, Francis Moore Shelton and Daniel W. Moore, Independent Executors of Estate of Francis B. Moore, Deceased, 2.600%
10-B	Sec. 15:	SW¼SW¼	40	LC 054687 10-15-37	USA - All	W. A. Hudson and E. R. Hudson -2/3 S. J. Iverson -1/3	Continental Oil Company
11	Sec. 27: Sec. 28:	W½, SE¼, SW¼NE¼ NE¼NE¼ All	1200	LC 057210 9-1-43	USA - All	Kewanee Oil Company	*Continental Oil Company
12	Sec. 22:	E½SE¼, SW¼SE¼	120	LC 058395 5-15-34	USA - All	Fair Oil Company, ¼ Fair N and N Trust, 3/4	Fair Oil Company, 25% Fair N and N Trust, 75%

13	Sec. 35: NE¼	160	LC 058407 (b) 12-2-39	USA - All	Weier Drilling Company	Weier Drilling Company, 50% W. P. Hammond, 25% Mid-Continent Supply, 25%
14	Sec. 26: W½NE¼	80	LC 058408 (a) 12-12-39	USA - All	Fair Oil Company, 2/3 R. W. Fair, 1/3	Fair Oil Company, 66.66% R. W. Fair, 33.33%
15	Sec. 26: SE¼	160	LC 058408 (b) 12-12-39	USA - All	Fair Oil Company, 2/3 R. W. Fair, 1/3	Fair Oil Company, 66.66% R. W. Fair, 33.33%
16	Sec. 35: SE¼	160	LC 058409 (b) 12-12-39	USA - All	Hudson and Hudson, Inc.	Hudson and Hudson, Inc.
17	Sec. 34: NE¼	160	LC 058514 9-22-39	USA - All	Kewanee Oil Company	*Continental Oil Company
18	Sec. 23: S½SE¼	80	LC 058697 (a) 8-11-39	USA - All	Kewanee Oil Company	*Continental Oil Company
19	Sec. 25: All Township 17 South, Range 33 East Sec. 30: W½	968.56	LC 058697 (b) 8-11-39	USA - All	Kewanee Oil Company	*Continental Oil Company
20	Township 17 South, Range 32 East Sec. 23: N½SE¼, NE¼SW¼, S½SW¼ Sec. 26: S½NW¼	280	LC 058698 (a) 8-11-39	USA - All	Kewanee Oil Company	*Continental Oil Company
21	Sec. 23: N½ Sec. 35: W½	640	LC 058698 (b) 8-11-39	USA - All	Kewanee Oil Company	*Continental Oil Company

22	Sec. 26: SW¼	160	LC 058699 (a) 8-11-39	USA - All	Ross Sears Estate Virginia Sears and Mary Jo Vandiver, Co-Executrixs of Estate of Ross Sears, Deceased.	Virginia Sears and Mary Jo Vandiver, Co-Executrixs of Estate of Ross Sears, Deceased, 24.832% J. P. Pierce, 15.033% Zula Cockburn, 45.102% Jewell Smith, 11.275% Leon C. Smith, 3.758%
23	Sec. 34: E½NW¼	80	LC 058728 9-22-39	USA - All	Kewanee Oil Company	*Continental Oil Company
24	Sec. 33: N½, SE¼	480	LC 059001 (a) 9-22-39	USA - All	Kewanee Oil Company	*Continental Oil Company
25	Sec. 34: W½NW¼	80	LC 059002 9-22-39	USA - All	Kewanee Oil Company	*Continental Oil Company
26	Sec. 15: NE¼	160	LC 059576 6-1-41	USA - All	Leonard Nichols, ½ Margaret Boller Nichols, ½	Leonard Nichols, 50% Margaret Boller Nichols, 50%
27	Sec 29: W½NE¼	80	LC 060199 (a) 7-1-39	USA - All	**Mrs. E. G. Woods	Mary Katherine Fowles, 25% Charlotte Woods Runyan, 25% Virginia Woods Shaw, 25% Emily Ray, Trustee for Emily Katherine Flint and Rosemary Flint, 25%
28	Sec. 30: E½NE¼	80	LC 060199 (b) 7-1-39	USA - All	**Mrs. E. G. Woods	Mary Katherine Fowles, 25% Charlotte Woods Runyan, 25% Virginia Woods Shaw, 25% Emily Ray, Trustee for Emily Katherine Flint and Rosemary Flint, 25%

** This interest is in the process of being assigned to parties shown as working interest owners.

29	Sec. 17:	E½E½	323.75	LC 060329 12-1-58	USA - All	Kewanee Oil Company	*Continental Oil Company
	Sec. 18:	W½W½					
30	Sec. 34:	N½SE¼	80	LC 060503 9-22-39	USA - All	Virginia Woods Shaw	Reading and Bates, Inc. rights to 5,000 feet; Virginia Woods Shaw, rights below 5,000 feet
31	Sec. 34:	SW¼	160	LC 061840 11-21-60	USA - All	F. B. Jackson, Jr.	F. B. Jackson, Jr.
32	Sec. 26:	N½NW¼	80	LC 061841 8-11-39	USA - All	Kewanee Oil Company	*Continental Oil Company
33	Sec. 14:	E½	320	LC 061842 8-11-39	USA - All	Kewanee Oil Company	*Continental Oil Company
34	Sec. 27:	NW¼NE¼, SE¼NE¼	80	LC 058396 5-15-34	USA - All	Fair Oil Company, 1/4 Fair N and N Trust, 3/4	Fair Oil Company, 25% Fair N and N Trust, 75%
35	Sec. 31:	E½SE¼	80	LC 069105 6-1-51	USA - All	Frank B. Stahl, 2/3 Stanley S. Sutton, 1/3	Neale Reger
36	Sec. 31:	SW¼	161.86	NM 03428 2-1-51	USA - All	Wilma E. Donahue, 65% Wilma Donahue Moleen, 15% Geo. Arnold Moleen, 10% Wilma Donahue Moleen, Trustee of Trust Estate of Geo. Edward Donahue Moleen, 10%	Wilma E. Donahue, 65% Wilma Donahue Moleen, 15% Geo. Arnold Moleen, 10% Wilma Donahue Moleen, Trustee of Trust Estate of Geo. Edward Donahue Moleen, 10%

37	Sec. 34: S½SE¼	80	NM 036852 9-22-39	USA - All	Ohio Oil Company	Ohio Oil Company
38	Sec. 15: E½SE¼	80	Unleased			

* Record title in process of being assigned to Continental Oil Company; Kewanee Oil Company has operating rights below datum of 700 feet below sea level (-700)

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39 Federal tracts containing 12,186.66 acres, or 88.395% of Cooperative Area.

Tract No.	Description of Land	No. of Acres	Lease No. and Date of Lease	Basic Royalty & Percentage	Lessee of Record	Working Interest Owner and Percentage
	STATE LAND Township 17 South, Range 32 East					
39	Sec. 16: NW¼, S½SW¼	240	B-155 8-14-31	State of New Mexico - All	Texaco Inc.	Continental Oil Company rights to 4500 feet below surface. Texaco Inc. rights below 4500 feet.
40	Sec. 16: N½SW¼	80	E-611 11-10-45	State of New Mexico - All	Gulf Oil Corporation	Roy H. Smith Drilling Co., rights to 4350 feet; Gulf Oil Corporation, rights below 4350 feet
41	Sec. 16: NE¼, W½SE¼ NE¼SE¼	280	B-2366-9 1-8-34	State of New Mexico - All	Continental Oil Company	Continental Oil Company
42	Sec. 16: SE¼SE¼	40	B-4062 4-3-35	State of New Mexico - All	Continental Oil Company	Continental Oil Company
43	Sec. 32: N½NE¼	80	B-4109-19 4-10-35	State of New Mexico - All	A. H. Hover	Thelma Kersey Methvin, 2.213% M. E. Daniel, 14.580% Harold Kersey, 55.338% W. O. MvIntyre, 7.291% Leonard Vandiver, 7.291% Gertrude B. Kersey, 11.067% Margaret K. Holcomb, 2.213%

44	Sec. 32:	SE¼NE¼	40	B-4109-21 4-10-35	State of New Mexico - All	A. H. Hover	Mary Ruth Fritschi, 3.750% Robert Inlock, 1.560% Edith A. Hover, 30.156% W. D. McIntyre, 5.468% Leonard Vandiver, 5.468% Harold Kersey, 31.354% Gertrude B. Kersey, 18.476% Thelma Kersey Methvin, 1.884% Margaret K. Holcomb, 1.884%
45	Sec. 32:	SW¼NE¼	40	B-4109-23 4-10-35	State of New Mexico - All	A. H. Hover	Mary Ruth Fritschi, 3.750% Robert Inlock, 1.560% Edith A. Hover, 30.156% W. D. McIntyre, 5.468% Leonard Vandiver, 5.468% Harold Kersey, 31.354% Gertrude B. Kersey, 18.476% Thelma Kersey Methvin, 1.884% Margaret K. Holcomb, 1.884%
46	Sec. 32:	NW¼NW¼	40	3-4109-24 4-10-35	State of New Mexico - All	A. H. Hover	A. H. Hover and Edith A. Hover, 12.5% James R. Mollett, 12.5% First National Bank of Albuquerque, 75%
47	Sec. 32:	NE¼NW¼	40	B-4109-33 4-10-35	State of New Mexico - All	J. K. Wallingford	J. K. Wallingford, 25% Leon C. Smith and Frank E. Marshall, 75%
48	Sec. 32:	NE¼SE¼	40	B-6768-21 11-10-36	State of New Mexico - All	Martin Yates, Jr.	Yates Brothers, 33.333% S. P. Yates, 33.333% Dixon & Yates Oil Company, 33.333%
49	Sec. 32:	NE¼SW¼, NW¼SE¼, S½SE¼	160	B-6768-27 11-10-36	State of New Mexico - All	Martin Yates, Jr.	Yates Brothers, 33.333% S. P. Yates, 33.333% Dixon & Yates Oil Company, 33.333%

50	Sec. 32:	S½NW¼, S½SW¼, NW¼SW¼	200	OG-5119 2-17-59	State of New Mexico - All	Gulf Oil Corporation	Gulf Oil Corporation

12 State tracts, containing 1280 acres, or 9.284% of Cooperative Area

Tract No.	Description of Land	No. of Acres	Expiration Date of Lease	Basic Royalty & Percentage	Lessee of Record	Working Interest Owner and Percentage
	FEE AND PRIVATLEY OWNED LANDS					
	Township 17 South, Range 32 East					
51	Sec. 14: SW¼	160	8-17-61 5-21-61	Kyle W. Taylor, 1/4 of 3/8 Ella Belle Taylor, 1/4 of 3/8 Zack Taylor, 1/2 of 3/8 Gardner Petroleum Corporation, 1/8	Kewanee Oil Company, 56/64 H. H. King, 8/64	*Continental Oil Company, 87.5% H. H. King, 12.5%
52	Sec. 14: S½NW¼, NW¼NW¼	120	H.B.P.	Zack Taylor, 15/64 Kyle W. Taylor, 15/128 Ella B. Taylor, 15/128 Gardner Petroleum Corporation, 5/16 Barkman & Reush Drilling Company, 1/16 Fred W. Reush, 1/16 Bob Bradshaw, 1/16 James W. Campbell, 1/32	Ohio Oil Company	Leonard Nichols rights to 4240 feet, Ohio Oil Company rights below 4240 feet

53	Sec. 14: NE¼NW¼	40	H.B.P.	Zack Taylor, ½ Ella B. Taylor, ¼ Kyle W. Taylor, ¼	Ohio Oil Company	Leonard Nichols rights to 4240 feet, Ohio Oil Company rights below 4240 feet

3 Fee and Privately Owned tracts containing 320 acres, or 2.321% of Cooperative Area

CERTIFICATION--DETERMINATION

Pursuant to the authority vested in the Secretary of the Interior, under the act approved February 25, 1920, 41 Stat. 437, as amended, 30 U. S. C. secs. 181, et seq., and delegated to the Director of the Geological Survey pursuant to Departmental Order No. 2365 of October 8, 1947, 43 C. F. R. sec. 4.611, 12 F. R. 6784, I do hereby:

A. Approve the attached Supplemental and Amendatory agreement for the development and operation of the Maljamar Cooperative Repressuring Agreement, Lea County, ~~area~~, State of New Mexico.

B. Certify and determine that the unit plan of development and operation contemplated in the attached agreement is necessary and advisable in the public interest for the purpose of more properly conserving the natural resources.

C. Certify and determine that the drilling, producing, rental, minimum royalty, and royalty requirements of all Federal leases committed to said agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of this agreement.

Dated _____.

_____
Director,
United States Geological Survey