

RICHARDSON & BASS
FT. WORTH NAT'L BANK BLDG.
FORT WORTH, TEXAS

June 13, 1960

United States Geological Survey
Commissioner of Public Lands
Oil Conservation Commission

RE: Poker Lake Unit
No. 14-08-001-303

Gentlemen:

Reference is made to the above captioned unit covering lands located in Eddy County, New Mexico. Richardson & Bass, as Unit Operator, advise that from the available information, a valuable and commercial discovery of unitized substances has been made on committed land within the unit area; and they hereby request that a participating area be established.

In this connection we attach hereto as part of this application for a participating area, a map marked "Exhibit A," which reflects the outline of the unit, together with all of the wells which have been drilled to date. We have shown, outlined in red on the map, the proposed participating area; and we have also designated the other wells which have been drilled on the unit. We also attach "Exhibit B" which is a schedule of the initial participating area.

You will note from the map that there have been a total of 18 wells drilled within the unit; and on March 29, 1960, the Ralph Lowe No. 1 Richardson & Bass Federal was completed in the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 18, Township 25 South, Range 30 East, as a Delaware discovery. The well was drilled to a total depth of 3,666 feet. It was perforated from 3,643 to 3,649 feet; and after being washed with mud acid, the well was completed naturally, flowing 70 barrels of oil in 14 hours through a 20/64 inch choke. Various tests run since the completion date reflect that the well is capable of flowing a much larger potential, as the flowing tubing pressure is 325 pounds through a 20/64 inch choke. The logs run on the well reflect an estimated 64 feet of gross pay, with a net pay of 28 feet. The gravity of the crude is 42 degrees. This well has been granted an

United States Geological Survey
Commissioner of Public Lands
Oil Conservation Commission

June 13, 1960
Page 2

allowable of 1,000 barrels per month; and during the month of April, they produced 1,357 barrels of oil, whereas up to the 23rd of May the well produced 852 barrels of oil.

Since the completion of this initial well, Ralph Lowe has drilled a confirmation well located in the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 8, Township 25 South, Range 30 East. This well was drilled to a total depth of 3,692 feet; and the logs reflect that the well cut an estimated 66 feet of gross pay, with 30 feet of net pay. After perforating, the well was washed with mud acid and completed naturally on May 27, 1960, for an estimated 3 barrels of oil per hour flowing through an 18/64 inch choke. Ralph Lowe has commenced a third well which is located in the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 17, Township 25 South, Range 30 East, which is designated as No. 2 Poker Lake. This well is presently at a total depth of 3,708 feet and is being logged in preparation of casing being run. From the core data, it appears that this well has cut approximately 40 feet of sand; and it is anticipated that the first enlargement of the initial participating area will be made shortly to include this well.

As Unit Operator, we hereby respectfully submit that a participating area of 40 acres be established in accordance with the terms and provisions of the Poker Lake Unit Agreement. We anticipate the filing of an acceptable plan of development providing for further exploration on the unit very shortly.

Yours very truly,

RICHARDSON & BASS


Howard W. Jennings

Approved June 17 19 60


Secretary-Director

NEW MEXICO OIL CONSERVATION COMMISSION

HWJ/pdf
enc.

CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

Case # 366

June 17, 1960

Richardson & Bass
Fort Worth National Bank Building
Fort Worth, Texas

Attention: Mr. Howard W. Jennings

Re: Initial Participating Area,
Delaware Formation, Poker Lake
Unit, Eddy County, New Mexico.

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the Initial Participating Area, Delaware Formation, for the Poker Lake Unit, Eddy County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

Five approved copies of the application are being forwarded to the Commissioner of Public Lands.

Very truly yours,

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

ALP/JEK/jsr

cc: United States Geological Survey - Roswell
Commissioner of Public Lands - Santa Fe

C
O
P
Y

EXHIBIT B
SCHEDULE 1

Initial Participating Area "A" for the Delaware Formation

TRACT NO.	LEASE NO.	DESCRIPTION	ACRES	OWNERSHIP	PERCENTAGE COMMITTED	PARTICIPATION PERCENTAGE
39	LC 065705	NE $\frac{1}{4}$ NE $\frac{1}{4}$ Sec. 18-25S-30E	40	Ralph Lowe .8250 - W. I.	100%	100%
		United States of America .1250 - Royalty			100%	
		Olen F. Featherstone and Martha Featherstone .0270 - Override			100%	
		Jack B. Shaw and Virginia Shaw .0030 - Override			100%	
		Estate of S. W. Richardson and Perry R. Bass .0200 - Override			100%	
TOTAL					1.0000	

Ralph Lowe No. 1 Richardson & Bass Federal
Completed 3-29-60

In reply refer to:
Unit Division

MAIN OFFICE

1960 JUN 23

Case # 366

June 22, 1960

Richardson And Bass
Fort Worth National Bank Building
Fort Worth, Texas

Re: Initial Participating Area,
Delaware Formation, Poker
Lake Unit, Eddy County, New
Mexico

Dear Mr. Jennings:

The Commissioner of Public Lands has of June 22, 1960 approved the Initial Participating Area, Delaware Formation, for the Poker Lake Unit Area. This approval being subject to like approval by the United States Geological Survey and the Oil Conservation Commission.

We are forwarding four copies of this application to the United States Geological Survey, Roswell, New Mexico, attention: Mr. John A. Anderson.

Please furnish us another copy when fully executed.

Very truly yours,
MURRAY E. MORGAN
Commissioner of Public Lands

By:
Ted Bilberry, Supervisor
Oil and Gas Division

MEM/MMR/1

cc:

OCC-Santa Fe
USGS-Roswell

C

O

P

Y



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

MAIN OFFICE OCC
1960 P. O. Box 6721
Roswell, New Mexico 88535

October 11, 1960

Richardson and Bass
Fort Worth National Bank Building
Fort Worth, Texas

Case # 366

Attention: W. P. Duncan, Jr.

Gentlemen:

This will acknowledge receipt on October 3, 1960, of a ratification and joinder to the Poker Lake unit and unit operating agreement executed by Ralph and Rena Shugart, prior record title holders and working interest owners of Federal land unit tracts 20(a), 22(a) through (e), 25(a), 28(a) through (f), 33 and 36; and by Howard W. Jennings, Inc., which now holds those interests.

Filing of this ratification and joinder completes our records on the above mentioned tracts. The tracts have been considered fully committed to the Poker Lake unit agreement, No. 14-08-0001-303, New Mexico, since the effective date of the leases involved as follows:

<u>Tract Nos.</u>	<u>Federal Lease No.</u>	<u>Effective Date of Commitment</u>
33	New Mexico 030452	April 1, 1957
36	030453	April 1, 1957
28(a), (b), (c), (d), (e), (f)	030454	April 1, 1957
20(a)	030456	April 1, 1957
22(a), (b), (c), (d), (e)	030457	April 1, 1957
25(a)	030458	April 1, 1957

Very truly yours,

(Sgd.) CARL C. TRAYWICK

CARL C. TRAYWICK
Acting Oil and Gas Supervisor

Copy to: Wash. (w/cy joinders)
BLM-Santa Fe (w/cy joinders)
NM Comm. of Public Lands (ltr. only)

7

RICHARDSON & BASS
FT. WORTH NAT'L BANK BLDG.
FORT WORTH, TEXAS

November 8, 1960

United States Geological Survey
Commissioner of Public Lands
New Mexico Oil Conservation Commission

RE: Poker Lake Unit Area
No. 14-08-001-303
Eddy County, New Mexico

Application for approval of the first
revision of the Participating Area
for the Bell Canyon formation.

Gentlemen:

Richardson & Bass, as Unit Operator for the Poker Lake Unit Agreement, approved by the Director of the United States Geological Survey effective July 16, 1952, pursuant to the provisions of Section 11 thereof, respectfully submits for the approval of said Director the selection of the following described land to constitute the first revision of the Participating Area for the Bell Canyon, Delaware Mountain Group producing zone or formation, to wit:

NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 17, Township 25 South, Range 30 East, containing 40 acres, more or less.

In support of this application, the following numbered items are attached hereto and made a part hereof:

1. Exhibit "A" being a map reflecting the outline of the Unit Area. We have also shown, outlined in red on the map, the enlarged Participating Area which will cover the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 18 and the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 17, Township 25 South, Range 30 East.

2. Exhibit "B" showing the lands entitled to participation in the unitized substances produced from the Bell Canyon, Delaware Mountain Group formation, with the percentage of participation of each lease or tract indicated thereon.

In support of this application, applicant sets forth the following geological engineering report:

The recently completed well is known as the Ralph Lowe No. 1-X Richardson & Bass Federal, located 610 from the north and 614 from the west of

Section 17, Township 25 South, Range 30 East. This well was spudded on June 1, 1960, and drilled to a total depth of 3608 feet. The top of the Delaware pay was encountered at 3660 feet, and the well was plugged back to a depth of 3684 feet. After being perforated from 3662-69 feet and acidized with 500 gallons of acid, the well was completed for an initial production of 50 BOPD plus an undetermined amount of salt water. This well was completed on June 23, 1960. The following is the production, by months, since completion of the well:

July	620 BO
August	612 BO
September	590 BO

This well is an extension of the Delaware pay encountered in the No. 1 Richardson & Bass Federal completed in the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 18 in said township. As can be seen from the above production, we feel that the well is capable of draining the additional 40 acres requested herein.

An additional well, known as the Ralph Lowe No. 1 Poker Lake State, was drilled outside the unit area in the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 8, Township 25 South, Range 30 East. This well was spudded May 13, 1960, and drilled to a total depth of 3692 feet. The well was perforated from 3673-80 feet and was completed on May 27, 1960, for 76 BOPD plus 6% salt water. The following is the production, by months, on this well:

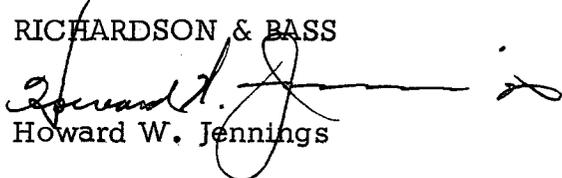
June	977 BO
July	1168 BO
August	1048 BO
September	947 BO

As Unit Operator, we hereby respectfully submit that the first enlargement of the Delaware (Bell Canyon Formation, Delaware Mountain Group) Participating Area be enlarged to include the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 17, Township 25 South, Range 30 East, and that the date of this first revision shall become effective June 1, 1960, pursuant to Section 11 of the Unit Agreement.

Dated this 8th day of November, 1960.

Yours very truly,

RICHARDSON & BASS


Howard W. Jennings

United States Geological Survey
Commissioner of Public Lands
New Mexico Oil Conservation Commission

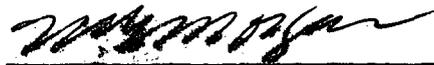
November 8, 1960
Page 3

APPROVED:

UNITED STATES GEOLOGICAL SURVEY

_____, 1960

COMMISSIONER OF PUBLIC LANDS



November 18, 1960

NEW MEXICO OIL CONSERVATION COMMISSION



Nov. 22,, 1960

RECEIVED
NOV 10 1960
U.S. GEOLOGICAL SURVEY
WASHINGTON, D.C.

EXHIBIT B
SCHEDULE II

Enlarged Participating Area for the Delaware (Bell Canyon Formation, Delaware Mountain Group)

Effective June 1, 1960

Tract No.	Lease No.	Description	Acres	Ownership	Percentage Committed	Participation Percentage	
39	IC 065705	NE $\frac{1}{4}$ NE $\frac{1}{4}$ Sec. 18, T-25-S, R-30-E	40	Ralph Lowe United States of America Olen F. Featherstone and Martha Featherstone Jack B. Shaw and Virginia Shaw Est. of S. W. Richard- son & Perry R. Bass	-.8250 WI -.1250 RI	100% 100%	50%
					-.0270 ORR	100%	
					-.0030 ORR	100%	
					-.0200 ORR	100%	
					1.0000		
37	IC 064894-A	NW $\frac{1}{4}$ NW $\frac{1}{4}$ Sec. 17, T-25-S, R-30-E	40	Ralph Lowe United States of America Olen F. Featherstone Glenna K. Herzog Est. of S. W. Richard- son & Perry R. Bass	-.8250 WI -.1250 RI -.0135 PPI* -.0165 PPI**	100% 100% 100% 100%	50%
					-.0200 ORR	100%	
					1.0000		

* Until the recovery of \$216,000.00, at which time this interest reverts to Ralph Lowe.

** Until the recovery of \$264,000.00, at which time this interest reverts to Ralph Lowe.

RICHARDSON & BASS
FT WORTH NAT'L BANK BLDG
FORT WORTH, TEXAS

November 9, 1960

*First Revision Participating Area
Delaware (Bell Canyon Formation,
Delaware Mountain Group)*

Mrs. Marian Rhea
State Land Office
P. O. Box 1251
Santa Fe, New Mexico

Dear Mrs. Rhea:

Enclosed please find application for approval of the first revision of the Participating Area in the Poker Lake Unit Area.

This revision has been tentatively approved by the United States Geological Survey. We respectfully request that you consider same for approval and that after same has been approved by the Commissioner and the Oil Conservation Commission, the application be forwarded to the United States Geological Survey in Roswell, New Mexico.

Very truly yours,

RICHARDSON & BASS


Howard W. Jennings

HWJ:pdf
enc.

In reply refer to:
Unit Division

November 18, 1960

C
O
P
Y
Mr. Howard W. Jennings
Richardson and Bass
Fort Worth National Bank Building
Fort Worth, Texas

Re: First Revision Participating
Area-Delaware(Bell Canyon
Formation, Mountain Group)
Poker Lake Unit, Eddy County,
New Mexico

Dear Mr. Jennings:

We are handing to Mr. Pete Porter, Director of the Oil Conservation Commission, the original and ^{5/16} ~~six~~ copies of the above designated, which was approved by the Commissioner of Public Lands November 18, 1960, subject to like approval being obtained from the Oil Conservation Commission and the United States Geological Survey.

Please furnish this office another copy when fully approved.

Very truly yours,
MURRAY E. MORGAN
Commissioner of Public Lands

BY:
Marian M. Rhea, Supervisor
Unit Division

MEM/mm/s
encl. (7)
cc:

OCC- Santa Fe
USGS- Roswell

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

November 22, 1960

Case #366

C
Richardson & Bass
Fort Worth National Bank Bldg.
Fort Worth, Texas

O
ATTENTION: MR. HOWARD W. JENNINGS

RE: First Revision Participating
Area Bell Canyon Formation
Poker Lake Unit Eddy County,
New Mexico.

P
Gentlemen:

Y
This is to advise that the New Mexico Oil Conservation Commission has this date approved the First Revision of the Participating Area, Bell Canyon Formation for the Poker Lake Unit Eddy County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

Five approved copies of the application are being forwarded to the United States Geological Survey, Roswell, New Mexico.

Very truly yours,

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

ALP/JEK/ig

cc: US Geological Survey - Roswell, New Mexico
Commissioner of Public Lands - Santa Fe