

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

PETITION OF OPERATORS' COMMITTEE UNDER
MALJAMAR COOPERATIVE REPRESSURING AGREEMENT

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

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

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

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

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

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

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

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

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

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

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

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

covering the E $\frac{1}{2}$ Sec. 16 are issued by the United States under and pursuant to the Act of Congress approved February 25, 1920, and the lease covering the E $\frac{1}{2}$ Sec. 16 was issued by the State of New Mexico, acting by and through its Commissioner of Public Lands, all of said lands being in the area commonly referred to and known as the Maljamar Oil & Gas Field. It is contemplated by said agreement that other lands may be committed to said agreement which adjoin the lands which are already committed, with the consent of the parties to said agreement, and where such lands will be benefited by the pressure maintenance operations.

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

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

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

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

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

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

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

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

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

wells for pressure maintenance purposes upon the following basis:

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

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

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

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

Note:
p. 7 & 8 substituted by
leave of Commission at
hearing in this case 10-29-42

-7- substituted

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

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

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

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

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

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

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

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

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

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

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

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

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

OIL CONSERVATION COMMISSIC

SANTA FE, NEW MEXICO

BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION

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

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

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

Respectfully submitted on this August 28, 1942.

NEW MEXICO OIL & GAS ASSOCIATION

BY

(SGD) C. J. DEXTER, PRES.

FEDERAL BUREAU OF SURVEY
NATIONAL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

LEA COUNTY

RHODES

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

LANGLIE

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

MATTIX

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

SKELLY

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

PENROSE

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

HARDY

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

SKAGGS

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

HOBBS

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

ARROWHEAD

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

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L CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

SOUTH EUNICE

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

SOUTH LOVINGTON

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

VACUUM

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

EAST MALJAMAR

O All of T. 17S-R33E.

EAST LUSK

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

EDDY COUNTY

WEST LUSK

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

RUSSELL

All of T. 20S-R28E.

LOCO HILLS

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

ANDERSON

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

L CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

GRAYBURG-JACKSON

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

SHUGART

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

SOUTH MALJAMAR

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

EAST MALJAMAR

All of T. 17S-R33E.

SQUARE LAKE

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

HIGH-LONESOME

All of T. 16S-R29E.

ROBINSON

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

LEONARD

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

LEO

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

EXHIBIT "A"