

DOMESTIC SERVICE	
Check the class of service desired; otherwise this message will be sent as a full rate telegram	
FULL RATE TELEGRAM	SERIAL
DAY LETTER	NIGHT LETTER

WESTERN UNION

1206

INTERNATIONAL SERVICE	
Check the class of service desired; otherwise this message will be sent at the full rate	
FULL RATE	DEFERRED
CODE	NIGHT LETTER

W. P. MARSHALL, PRESIDENT

NO. WDS.-CL. OF SVC.	PD. OR COLL.	CASH NO.	CHARGE TO THE ACCOUNT OF	TIME FILED
			OIL CONSERVATION COMMISSION	

Send the following message, subject to the terms on back hereof, which are hereby agreed to

SANTA FE, NEW MEXICO

SEPTEMBER 5, 1950

**AMERICAN REPUBLICS CORPORATION
BOX 547
ARTESIA, NEW MEXICO**

ORDER NO. R-29, CASE NO. 234, SIGNED AND APPROVED THIS DATE.

OIL CONSERVATION COMMISSION/SPURRIER

STRAIGHT WIRE

ALL MESSAGES TAKEN BY THIS COMPANY ARE SUBJECT TO THE FOLLOWING TERMS:

To guard against mistakes or delays, the sender of a message should order it repeated, that is, telegraphed back to the originating office for comparison. For this, one-half the unreported message rate is charged in addition. Unless otherwise indicated on its face, this is an unreported message and paid for as such, in consideration whereof it is agreed between the sender of the message and this Company as follows:

1. The Company shall not be liable for mistakes or delays in the transmission or delivery, or for non-delivery, of any message received for transmission at the unreported-message rate beyond the sum of five hundred dollars; nor for mistakes or delays in the transmission or delivery, or for non-delivery, of any message received for transmission at the reported-message rate beyond the sum of five thousand dollars, unless specially valued; nor in any case for delays arising from unavoidable interruption in the working of its lines.

2. In any event the Company shall not be liable for damages for mistakes or delays in the transmission or delivery, or for the non-delivery, of any message, whether caused by the negligence of its servants or otherwise, beyond the actual loss, not exceeding in any event the sum of five thousand dollars, at which amount the sender of each message represents that the message is valued, unless a greater value is stated in writing by the sender thereof at the time the message is tendered for transmission, and unless the reported-message rate is paid or agreed to be paid, and an additional charge equal to one-tenth of one percent of the amount by which such valuation shall exceed five thousand dollars.

3. The Company is hereby made the agent of the sender, without liability, to forward this message over the lines of any other company when necessary to reach its destination.

4. Except as otherwise indicated in connection with the listing of individual places in the filed tariffs of the Company, the amount paid for the transmission of a domestic telegram or an incoming cable or radio message covers its delivery within the following limits: in cities or towns of 5,000 or more inhabitants where the Company has an office which, as shown by the filed tariffs of the Company, is not operated through the agency of a railroad company, within two miles of any open main or branch office of the Company; in cities or towns of 5,000 or more inhabitants where, as shown by the filed tariffs of the Company, the telegraph service is performed through the agency of a railroad company, within one mile of the telegraph office; in cities or towns of less than 5,000 inhabitants in which an office of the Company is located, within one-half mile of the telegraph office. Beyond the limits above specified the Company does not undertake to make delivery, but will endeavor to arrange for delivery as the agent of the sender, with the understanding that the sender authorizes the collection of any additional charge from the addressee and agrees to pay such additional charge if it is not collected from the addressee. There will be no additional charge for deliveries made by telephone within the corporate limits of any city or town in which an office of the Company is located.

5. No responsibility attaches to this Company concerning messages until the same are accepted at one of its transmitting offices; and if a message is sent to such office by one of the Company's messengers, he acts for that purpose as the agent of the sender.

6. The Company will not be liable for damages or statutory penalties when the claim is not presented in writing to the Company, (a) within sixty days after the message is filed with the Company for transmission in the case of a message between points within the United States (except in the case of an intrastate message in Texas) or between a point in the United States on the one hand and a point in Alaska, Canada, Labrador, Mexico, Newfoundland and St. Pierre & Miquelon Islands on the other hand, or between a point in the United States and a ship at sea or in the air, (b) within 95 days after the cause of action, if any, shall have accrued in the case of an intrastate message in Texas, and (c) within 180 days after the message is filed with the Company for transmission in the case of a message between a point in the United States and a foreign or overseas point other than the points specified above in this paragraph; provided, however, that this condition shall not apply to claims for damages or overcharges within the purview of Section 415 of the Communications Act of 1934.

7. It is agreed that in any action by the Company to recover the tolls for any message or messages the prompt and correct transmission and delivery thereof shall be presumed, subject to rebuttal by competent evidence.

8. Special terms governing the transmission of messages according to their classes, as enumerated below, shall apply to messages in each of such respective classes in addition to all the foregoing terms.

9. No employee of the Company is authorized to vary the foregoing.

1-49

CLASSES OF SERVICE

DOMESTIC SERVICES

FULL RATE TELEGRAM

A full rate expedited service.

DAY LETTER (DL)

A deferred service at lower than the full rate.

SERIAL (SER)

Messages sent in sections during the same day.

NIGHT LETTER (NL)

Accepted up to 2 A. M. for delivery not earlier than the following morning at rates substantially lower than the full rate telegram or day letter rates.

INTERNATIONAL SERVICES

FULL RATE (FR)

The standard fast service at full rates. May be written in any language that can be expressed in Roman letters, or in cipher.

CODE (CDE)

A fast message service consisting of code words not exceeding 5 letters each. Minimum charge for 5 words applies.

DEFERRED (LC)

Plain language messages, subordinated to full rate and code messages. Minimum charge for 5 words applies.

NIGHT LETTER (NLT)

Overnight plain language messages. Minimum charge for 25 words applies.

September 13, 1950

American Republics Corporation
Box 547
Artesia, New Mexico

Attention: W. B. Macey

Gentlemen:

We enclose herewith, signed copy of Order No. R-29, issued in connection with Case No. 234, heard in Santa Fe, New Mexico on August 24, 1950.

Very truly yours,

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

R. R. Spurrier
Secretary-Director

RRS:bw
encl.

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 and the rules and regulations of said Commission promulgated thereunder, of the following public hearing to be held August 24, 1950, beginning at 10:00 o'clock A.M. on that day in the City of Santa Fe, New Mexico, in the Capitol (Hall of Representatives).

STATE OF NEW MEXICO TO:

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

Case 202 (Readvertisement)

In the matter of further hearing upon the application of Rowan Oil Company for an order reducing the allowable of the Brunson Pool, Lea County, New Mexico for the purpose of determining if Order R-4, promulgated January 11, 1950, shall be modified, rescinded or further continued in effect.

Case 33

In the matter of the application of the New Mexico Oil Conservation Commission upon its own motion upon the recommendation of the Northwestern New Mexico Nomenclature Committee:

1. To create a new pool to be known as the West Kutz Canyon (Pictured Cliffs) gas pool, the area of which contains all of Sections 7 and 18 in Twp. 27N-R. 11W and all of Sections 12 and 13 in Twp. 27N - R. 12W, in San Juan County, New Mexico.
2. That the boundaries of LaPlata (Mesaverde) gas pool heretofore created and described should be changed so as to include the following:

³¹
Township 21 North, Range 12 West

S $\frac{1}{2}$ Section 2
All Section 3
All Section 4
N $\frac{1}{2}$ Section 5
E $\frac{1}{2}$ Section 9
W $\frac{1}{2}$ Section 12
W $\frac{1}{2}$ Section 13
E $\frac{1}{2}$ Section 16

Township 32 North, Range 12 West

E $\frac{1}{2}$ Section 20
All Section 21
W $\frac{1}{2}$ Section 22
W $\frac{1}{2}$ Section 27

Arch Rowan

Township 32 North, Range 12 West (Continued)

All Section 28
All Section 29
All Section 30
N $\frac{1}{2}$ Section 31
All Section 32
All Section 33
W $\frac{1}{2}$ Section 34

3. That the boundaries of the Fulcher Basin-Kutz Canyon (Pictured Cliffs) gas pool heretofore created be and the same hereby is enlarged and its boundaries changed only to include all of Section 6 in Twp. 27N-R.10W, N.M.P.M., in San Juan County, New Mexico.

Case 234

In the matter of the application of American Republics Corporation for an order granting it permission to drill 4 unorthodox 5-spot locations on its F. M. Robinson "B" lease in Sections 27 and 35, Township 17 south, Range 29 east, N.M. P.M., in the Grayburg-Jackson pool of Eddy County, New Mexico.

Given under the seal of the Oil Conservation Commission of New Mexico, at Santa Fe, New Mexico, on August 7, 1950.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

R. R. SPURRIER, SECRETARY

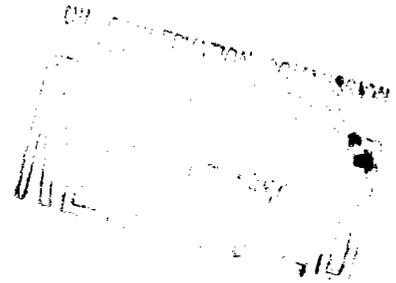
SEAL

AMERICAN REPUBLICS CORPORATION

CARPER BUILDING
ARTESIA, NEW MEXICO
P. O. Box 547

October 16, 1950

CASE 234
Order No. R-29



Mr. R. R. Spurrier
P. O. Box 871
Santa Fe, New Mexico

Dear Sir:

In accordance with the above captioned Order No. R-29 I am enclosing photostatic copies of Royalty Agreements entered into between American Republics Corporation and the overriding royalty holders on the Robinson "A" Lease, L. C. 028775-A, located in Eddy County, New Mexico

Yours very truly,

W B Macey
W. B. MACEY

WBM/lh

Enclosures (3)

AGREEMENT

THIS AGREEMENT, Made and entered into this 25th day of July, 1950, by and between AMERICAN REPUBLICS CORPORATION, a corporation having its principal office at Houston, Texas, hereinafter referred to as party of the first part, and NELLIE SMITH, Artesia, New Mexico, MARSHALL & WINSTON, INC., Los Angeles, California, F. A. ANDREWS, Los Angeles, California, MRS. R. G. HEYE, Beaumont, Texas, MRS. C. A. RUSSELL, Houston, Texas, HARRY LEONARD, Roswell, New Mexico, and MARY LORENA HIGGINS, TRUSTEE, Auburn, Georgia, hereinafter referred to as parties of the second part,

W I T N E S S E T H:

WHEREAS, party of the first part is the owner and holder of a Federal Oil and Gas Lease upon lands of the United States, bearing Las Cruces Serial No. 028775(a) designated as the F. M. Robinson "A" Lease, covering the following described land, situated in Eddy County, State of New Mexico, to-wit:

SE/4 Section 27, NE/4 Section 34 and W/2 NW/4 Section 35, Township 17 South, Range 29 East, N.M.P.M., and containing 400 acres, more or less,

subject to an overriding royalty equal to 7-1/2% of all of the oil and gas produced, saved and marketed from the above described land, which overriding royalty interest is owned by parties of the second part, in the following proportions:

NELLIE SMITH	1-7/8%
MARSHALL & WINSTON, INC.	1/2 of 1%
F. A. ANDREWS	1/2 of 1%
MRS. R. G. HEYE	1/2 of 1%
MRS. C. A. RUSSELL	1%
HARRY LEONARD	1-13/16%
MARY LORENA HIGGINS, TRUSTEE	1-5/16%

WHEREAS, party of the first part is also the owner and holder of Federal Oil and Gas Lease upon lands of the United States, bearing Las Cruces Serial No. 028775(b), designated as the F. M. Robinson "B" Lease, covering the following described land, situated in Eddy County, State of New Mexico, to-wit:

NE 1/4, E/2 NW 1/4 and E/2 SW 1/4 Section 27, E/2 W/2 and E/2 Section 35, Township 17 South, Range 29 East, N.M.P.M., and containing 800 acres, more or less; and

WHEREAS, the royalty payable to the United States Government under the F. M. Robinson "A" Lease ranges from 12-1/2% to 25% of all of the oil production and when the average production of oil for the calendar month, in barrels, per well, per day is not over 110 barrels, the royalty shall be 12-1/2%; and the royalty payable to the United States Government under the F. M. Robinson "B" Lease ranges from 12-1/2% to 32% of all of the oil production, and when the average production for the calendar month, in barrels, per well, per day is not over 50 barrels, the royalty shall be 12-1/2%. In the event the production per well, per day during any calendar month should exceed 50 barrels on the F. M. Robinson "B" Lease, the United States Government would be paid a royalty on the production from the wells on the F. M. Robinson "B" Lease at the higher step-scale rate provided in said F. M. Robinson "B" Lease; and

WHEREAS, both of said leases, hereinabove described, have a number of producing wells thereon, which wells are producing from the Grayburg-Jackson Pay of the Upper San Andres Formation, encountered in wells on both of said leases at an approximate depth of 2800 feet beneath

the surface; and

WHEREAS, among other wells drilled on the two above described leases, party of the first part has drilled a number of unorthodox "five spot" locations on each of said leases and from the information and results obtained from the drilling of such "five spot" unorthodox locations, the fact is definitely established that such a drilling program is economically sound and that by the drilling of these "five spot" locations a much greater ultimate recovery of oil will be obtained in that substantial quantities of oil may and will be recovered that would not otherwise be obtained if such "five spot" unorthodox locations had not been drilled; and

WHEREAS, it is the desire of party of the first part to continue its "five spot" development program on the two above described leases and party of the first part desires to make locations for and drill four line well locations, at the locations hereinafter designated, on the F. M. Robinson "B" Lease, each of such locations to not be nearer than 25 feet to the outermost lease boundary line; and

WHEREAS, since the four "five spot" line locations proposed will be located on the F. M. Robinson "B" Lease within a distance of 25 feet from the F. M. Robinson "A" Lease, hereinabove described, under which parties of the second part own the overriding royalty interest hereinabove mentioned, it is the desire of party of the first part to enter into this Agreement, upon the terms and conditions hereinafter set forth, to the end that party of the first part may drill the four "five spot" unorthodox line well locations on the F. M. Robinson "B" Lease, hereinafter set forth, and produce such wells in the manner hereinafter provided; and

WHEREAS, it is deemed by parties of the second part that it is to their best interest that party of the first part drill the four "five spot" unorthodox line wells at the locations hereinafter described, and produce the same and account for the proceeds of sale of oil and gas therefrom in the manner hereinafter provided.

NOW, THEREFORE, for and in considerations of the agreements, promises and covenants to be kept and performed by the respective parties hereto, it is mutually agreed between the parties hereto, as follows:

1. Party of the first part agrees to drill the following wells on its F. M. Robinson "B" Lease, covering lands hereinabove described, to be designated by well numbers, and located on said F. M. Robinson "B" Lease, as follows:

F. M. ROBINSON "B" WELL NO. 28, to be located:
1345 feet from the South Line and 2615
feet from the West Line of Section 27,
Township 17 South, Range 29 East, N.M.P.
M.;

F. M. ROBINSON "B" WELL NO. 29, to be located:
2615 feet from the North Line and 1295
feet from the East Line of Section 27,
Township 17 South, Range 29 East, N.M.P.
M.;

F. M. ROBINSON "B" WELL NO. 30, to be located:
1295 feet from the North Line and 1345
feet from the West Line of Section 35,
Township 17 South, Range 29 East, N.M.P.
M.;

F. M. ROBINSON "B" WELL NO. 31, to be located:
2615 feet from the North Line and 2615
feet from the West Line of Section 27,
Township 17 South, Range 29 East, N.M.P.M.

2. Party of the first part agrees to drill said wells, one or more at a time, with due diligence and

in a workmanlike manner, to a depth sufficient to test and complete said wells in the Grayburg-Jackson Pay of the Upper San Andres Formation encountered at an approximate depth of 2800 feet in the area. Each of said wells shall be drilled and completed at the sole risk, cost and expense of party of the first part.

3. Party of the first part agrees to set separate tanks to be used for Wells Nos. 28 and 29, and separate tanks to be used for Well No. 30, and separate tanks to be used for Well No. 31, as the same are completed and to account for the oil produced from these wells separate and apart from all other wells located upon the F. W. Robinson "B" Lease, and further agrees it will have the company purchasing oil produced from these wells prepare a separate division order covering Wells Nos. 28 and 29, a separate division order covering Well No. 30 and a separate division order covering Well No. 31.

4. Party of the first part agrees that out of the oil produced from the F. M. Robinson "B" Wells Nos. 28, 29 and 30, parties of the second part shall be paid and receive, in proportion to the interest they own, respectively, 7-1/2% of one-half of all of the oil and gas produced, saved and marketed from F. M. Robinson "B" Wells Nos. 28, 29 and 30.

5. Party of the first part agrees that out of the oil produced from F. M. Robinson "B" Well No. 31 parties of the second part shall be paid and receive, in proportion to the interest which they own, respectively, 7-1/2% of one-fourth of all of the oil and gas produced, saved and marketed from F. M. Robinson "B" Well No. 31.

6. Parties of the second part agree to accept

as payment for their interest in oil produced from the F. M. Robinson "B" Wells Nos. 28, 29, 30 and 31, the fractional proportion of such oil and gas produced, saved and marketed from said wells, as hereinabove set forth.

7. Parties of the second part do hereby further agree that they shall never demand or require that party of the first part shall drill any wells on the F. M. Robinson "A" Lease offsetting either directly, diagonally or otherwise, F. M. Robinson "B" Wells Nos. 28, 29, 30 and 31, at the locations hereinabove set out.

8. The term of this Agreement shall be co-extensive with the term of the F. M. Robinson "A" Lease and the F. M. Robinson "B" Lease, and any extensions or renewals of said leases, and shall be binding upon and inure to the benefit of the heirs, administrators, executors, successors and assigns of the parties hereto.

9. Notwithstanding anything herein to the contrary, it is mutually understood and agreed that the drilling of the four F. M. Robinson "B" "five spot" unorthodox line wells at the locations hereinabove designated, is subject to the approval of both the United States Geological Survey and the Oil Conservation Commission of the State of New Mexico, and in the event either the United States Geological Survey or the Oil Conservation Commission of the State of New Mexico should not approve the drilling of said four "five spot" unorthodox line wells, as herein provided, then and in that event, this Agreement shall become null and void. Upon the approval of the drilling of said four wells, as herein provided, by both the

United States Geological Survey and the Oil Conservation Commission of the State of New Mexico, then this Agreement shall remain in full force and effect for the term herein provided.

10. The parties hereto may all execute the same original or copy of this Agreement, or the various parties hereto may execute a counterpart hereof, which shall be effective in the same manner as though all the parties hereto had executed the same original instrument, it being understood and agreed that this Agreement shall become effective and binding only at such time as all of the parties hereto have either executed the same original instrument or a counterpart hereof.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement or a counterpart of this Agreement on the day and year first above written.

ATTEST:

D. J. Wise
Secretary

AMERICAN REPUBLICS CORPORATION

By *R. K. Tyson*
Vice President

APPROVED
Form *etc.*

Terms *m8*
JWN

PARTY OF THE FIRST PART

Nellie Smith

MARSHALL & WINSTON, INC.

ATTEST:

Secretary

By President

F. A. Andrews

Mrs. R. G. Heye

Mrs. C. A. Russell
Mrs. C. A. Russell

Harry Leonard

Mary Lorena Higgins,
Trustee

PARTIES OF THE SECOND PART

STATE OF TEXAS)
) : ss.
COUNTY OF HARRIS)

On this 25th day of July, 1950, before me personally appeared A. K. EYSON, to me personally known, who being by me duly sworn did say that he is Vice President of AMERICAN REPUBLICS CORPORATION, a corporation, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its board of directors, and said A. K. EYSON acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year hereinabove written.

Myrtle M. Cruz
Notary Public
Harris County, Texas

My commission expires: June 1, 1951

MYRTLE M. CRUZ
Notary Public, in and for Harris County, Texas

STATE OF _____)
) : ss.
COUNTY OF _____)

On this _____ day of _____, 1950, before me personally appeared NELLIE SMITH, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that she executed the same as her free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year hereinabove written.

Notary Public

My commission expires:

STATE OF _____)
COUNTY OF _____) ss.

On this ____ day of _____, 1950, before me personally appeared MRS. R. G. HEYE, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that she executed the same as her free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year hereinabove written.

Notary Public

My commission expires: _____

STATE OF Texas)
COUNTY OF Harris.) ss.

On this 7th day of August, 1950, before me personally appeared MRS. C. A. RUSSELL, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that she executed the same as her free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year hereinabove written.

 A. M. Mahan) A. M. Mahan
Notary Public
My commission expires: June 1, 1951

