

1367
~~File 1376~~

MAIL OFFICE 000
1950 JAN 27 AM 11 10

In reply refer to:
Unit Division

January 26, 1959

C
O
P
Y

Felmont Oil Corporation
P. O. Box 1855
Midland, Texas

Re: Etcheverry Unit Agreement
Lea County, New Mexico

Gentlemen:

The Commissioner of Public Lands by registered letters dated December 23, 1958, notified you, as operator, and each record owner in the Etcheverry Unit of his intention to terminate this unit.

Therefore, under Section 8, we have terminated the Etcheverry Unit, Effective January 23, 1959.

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

BY:
Ted Bilberry, Supervisor
Oil and Gas Division

MEM/MKR/m

cc: Continental Oil Co.
1710 Fair Bldg.
Fort Worth 2, Texas

Gulf Oil Corporation
P. O. Box 1290
Fort Worth, Texas

Magnolia Pet. Co.
P. O. Box 900
Dallas 21, Texas

Skelly Oil Company
Skelly Building
Tulsa, Oklahoma

Mr. G. M. Graham
1508 Bedford Drive
Midland, Texas

Tidewater Oil Company
P. O. Box 731
Tulsa, Oklahoma

Oil Conservation Commission
P. O. Box 791
Santa Fe, New Mexico



Felmont Oil Corporation
P. O. Box 1855
Midland, Texas

Page (2)
1-26-59

Mr. John Etcheverry, Trustee &
Attorney-in-Fact
P. O. Box 1656
Lovington, New Mexico

Phillips Petroleum Co.
Bartlesville, Okla.

C
O
P
Y

FELMONT OIL CORPORATION

WILCO BLDG. P. O. BOX 1855

MIDLAND, TEXAS

April 24, 1958

File 1376

Oil Conservation Commission
Santa Fe, New Mexico

Re: ~~Etcheverry Unit~~
Lea County, New Mexico

Gentlemen:

We are in receipt of a letter dated April 22, 1958, from the Commissioner of Public Lands approving the "Amendments of Unit Agreement for the Development and Operation of the Etcheverry Unit Area, Lea County, New Mexico", a copy of which was forwarded to you.

We, therefore, enclose a photostatic copy of the Amendment executed and acknowledged in counter-part and a copy of the Certificate of Approval by the Commissioner of Public Lands.

Yours very truly,

W. C. Montgomery
W. C. Montgomery

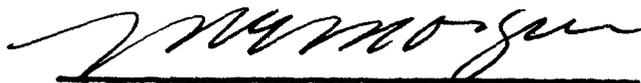
WCM/es

Encls.

CERTIFICATE OF APPROVAL
OF
COMMISSIONER OF PUBLIC LANDS

That I, the undersigned Commissioner of Public Lands
of the State of New Mexico, do hereby approve the above and
foregoing amendments to the Unit Agreement for the development
and operation of the Etcheverry Unit Area, Lea County, New Mexico.

IN WITNESS WHEREOF This certificate of approval is ex-
ecuted this the 22nd day of April 1958.



Commissioner of Public Lands
State of New Mexico

In reply refer to:
Unit Division

*File Case
1367*

April 22, 1958

Felment Oil Corporation
P. O. Box 1855
Midland, Texas

Re: Etcheverry Unit
Lea County, New Mexico

Attention: Mr. W. C. Montgomery

Gentlemen:

The Commissioner of Public Lands has approved "Amendments of Unit Agreement for the Development and Operation of the Etcheverry Unit Area, Lea County, New Mexico", as of this date April 22, 1958.

Enclosed you will find seven executed copies of Certificate of Approval as requested in your letter of April 17, 1958.

Very truly yours,

MURRAY E. MORGAN,
Commissioner of Public Lands

BY:

Ted Bilberry, Supervisor
Oil and Gas Division

MEM/ML/s

cc: Oil Conservation Commission /
Santa Fe, New Mexico

United States Geological Survey
Roswell, New Mexico

**AMENDMENTS OF UNIT AGREEMENT
FOR THE DEVELOPMENT AND OPERATION
OF THE
ETCHEVERRY UNIT AREA
LEA COUNTY, NEW MEXICO**

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, as of the 16th day of December 1957, the undersigned parties hereto entered into a Unit Agreement for the development and operation of the Etcheverry Unit Area embracing the following described land situated in Lea County, New Mexico, to-wit:

NEW MEXICO PRINCIPAL MERIDIAN

Township 14 South, Range 34 East

Section 32: S 1/2
Section 33: S 1/2

Township 15 South, Range 34 East

Section 4: NE 1/4, NW 1/4, N 1/2 SW 1/4
Section 5: All

containing 1737.08 acres, more or less;

and

WHEREAS, said Unit Agreement was approved by the Commissioner of Public Lands of the State of New Mexico on the 20th day of March 1958;

and

WHEREAS, the undersigned parties to said Unit Agreement, with the approval and consent of the Commissioner of Public Lands of the State of New Mexico, are desirous of amending said Unit Agreement in the particulars hereinafter set forth.

NOW, THEREFORE, it is mutually agreed between the undersigned parties, and being all of the parties to the original Unit Agreement above referred to, with the consent and approval of the Commissioner of Public Lands of the State of New Mexico, that said Unit Agreement be and the same is hereby amended as follows:

1. That the following be substituted for Section 8 (Drilling to Discovery) of the Unit Agreement:

8. DRILLING TO DISCOVERY. The Unit Operator shall, within sixty (60) days after the effective date of this agreement, commence operations upon an adequate test well for oil and gas upon some part of the lands embraced within the unit area and shall drill said well with due diligence to a depth sufficient to test the Devonian formation or to such a depth as unitized substances shall be discovered in paying quantities at a lesser depth or until it shall, in the opinion of Unit Operator, be determined that the further drilling of said well shall be unwarranted or impracticable; provided, however, that Unit Operator shall not, in any event, be required to drill said well to a depth in excess of 14,700 feet. Until a discovery of a deposit of unitized substances capable of being produced in paying quantities (to-wit: quantities sufficient to repay the costs of drilling and producing operations with a reasonable profit), Unit Operator shall continue drilling diligently, one well at a time, allowing not more than six months between the completion of one well and the beginning of the next well, until a well capable of producing unitized substances in paying quantities is completed to the satisfaction of the Commissioner, or until it is reasonably proven to the satisfaction of the Unit Operator that the unitized land is incapable of producing unitized substances in paying quantities in the formation drilled hereunder.

Any well commenced prior to the effective date of this agreement upon the unit area and drilled to the depth provided herein for the drilling of an initial test well shall be considered as complying with the drilling requirements hereof with respect to the initial well. The Commissioner may modify the drilling requirements of this section by granting reasonable extensions of time when in his opinion such action is warranted. Upon failure to comply with the drilling provisions of this article the Commissioner may, after reasonable notice to the Unit Operator and each working interest owner, lessee and lessor at their last known addresses, declare this Unit Agreement terminated, and all rights, privileges and obligations granted and assumed by this unit agreement shall cease and terminate as of such date.

2. That the following be substituted for Section 9 (Plan of Further Development and Operation) of the Unit Agreement:

9. OBLIGATIONS OF UNIT OPERATOR AFTER DISCOVERY OF UNITIZED SUBSTANCES. Should unitized substances in paying quantities be discovered upon the unit area the Unit Operator shall on or before six months from the time of the completion of the initial discovery well and within thirty (30) days after the expiration of each twelve months period thereafter file a report with the Commissioner and Commission of the status of the development of the unit area and the development contemplated for the following twelve months period.

It is understood that one of the main considerations for the approval of this agreement by the Commissioner of Public Lands is to secure the orderly development of the unitized lands in accordance with good conservation practices so as to obtain the greatest ultimate recovery of unitized substances.

After discovery of unitized substances in paying quantities, Unit Operator shall proceed with diligence to reasonably develop the unitized area as a reasonably prudent operator would develop such area under the same or similar circumstances.

If the Unit Operator should fail to comply with the above covenant for reasonable development this agreement may be terminated by the Commissioner as to all lands of the State of New Mexico embracing undeveloped

regular well spacing or proration units but in such event the basis of participation by the working interest owners shall remain the same as if this agreement had not been terminated as to such lands; provided, however, the Commissioner shall give notice to the Unit Operator and the lessees of record in the manner prescribed by Sec. 7-11-14, N.M. Statutes 1953 Annotated of intention to cancel on account of any alleged breach of said covenant for reasonable development and any decision entered thereunder shall be subject to appeal in the manner prescribed by Sec. 7-11-17, N.M. Statutes 1953 Annotated and, provided further, in any event the Unit Operator shall be given a reasonable opportunity after a final determination within which to remedy any default, failing in which this agreement shall be terminated as to all lands of the State of New Mexico embracing undeveloped regular well spacing or proration units.

3. That the following be substituted for the last paragraph of Section 13

(Leases and Contracts Conformed and Extended Insofar as They Apply to Lands Within the Unitized Area) of the Unit Agreement:

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 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 or the Unit Operator 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.

4. That the following be substituted for Section 15 (Drainage) of the Unit Agreement:

15. DRAINAGE. In the event a well or wells producing oil or gas in paying quantities should be brought in on land adjacent to the unit area draining unitized substances from the lands embraced therein, Unit Operator shall drill such offset well or wells as a reasonably prudent operator would drill under the same or similar circumstances.

5. That except as amended hereinabove, said Unit Agreement is hereby ratified and confirmed as to all of the terms and provisions hereof.

6. 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 unit area.

IN WITNESS WHEREOF, the undersigned parties hereto have caused this agreement to be executed as of the respective dates set forth opposite their signatures.

ATTEST:

M. C. Montgomery
Assistant Secretary

Date April 19, 1958

ATTEST:

Assistant Secretary

Date _____

ATTEST:

Assistant Secretary

Date _____

ATTEST:

[Signature]
Assistant Secretary

Date MARCH 10, 1958

ATTEST:

Assistant Secretary

Date _____

ATTEST:

Assistant Secretary

Date _____

FELMONT OIL CORPORATION

By *[Signature]*
Vice-President

Address: P. O. Box 1855
Midland, Texas

SKELLY OIL COMPANY

By _____
Vice-President

Address: _____

GULF OIL CORPORATION

By _____
Vice-President

Address: _____

PHILLIPS PETROLEUM COMPANY

By *[Signature]* *J. B.*
Vice-President

Address: Bartlesville, Oklahoma

TIDEWATER OIL COMPANY

By _____
Vice-President

Address: _____

CONTINENTAL OIL COMPANY

By _____
Vice-President

Address: _____

STATE OF OKLAHOMA :
:
COUNTY OF WASHINGTON:

The foregoing instrument was acknowledged before me this 10th day of February 1958, by C.O. STARK, VICE PRESIDENT of PHILLIPS PETROLEUM Co., a DELAWARE corporation, on behalf of said corporation.

My commission expires: 09-29-59

Patricia Sue Morris
Notary Public

STATE OF :
:
COUNTY OF :

The foregoing instrument was acknowledged before me this _____ day of _____ 1958, by _____.

My commission expires: _____

Notary Public

STATE OF :
:
COUNTY OF :

The foregoing instrument was acknowledged before me this _____ day of _____ 1958, by MARIE ETCHEVERRY.

My commission expires: _____

Notary Public

STATE OF :
:
COUNTY OF :

The foregoing instrument was acknowledged before me this _____ day of _____ 1958, by JOHN ETCHEVERRY as Attorney-in-Fact on behalf of Pello Etcheverry.

My commission expires: _____

Notary Public

STATE OF :
:
COUNTY OF :

The foregoing instrument was acknowledged before me this _____ day of _____ 1958, by JOHN ETCHEVERRY, Trustee.

My commission expires: _____

Notary Public

STATE OF TEXAS :
:
COUNTY OF MIDLAND :

The foregoing instrument was acknowledged before me this 10th day of April 1958, by Walter H. Walne, Jr., Vice President of Felmont Oil Corporation, a Delaware corporation, on behalf of said corporation.



My commission expires: June 1, 1959

[Signature]
Notary Public

STATE OF :
:
COUNTY OF :

The foregoing instrument was acknowledged before me this _____ day of _____ 1958, by _____.

My commission expires: _____

Notary Public

STATE OF :
:
COUNTY OF :

The foregoing instrument was acknowledged before me this _____ day of _____ 1958, by MARIE ETCHEVERRY.

My commission expires: _____

Notary Public

STATE OF :
:
COUNTY OF :

The foregoing instrument was acknowledged before me this _____ day of _____ 1958, by JOHN ETCHEVERRY as Attorney-in-Fact on behalf of Pello Etcheverry.

My commission expires: _____

Notary Public

STATE OF :
:
COUNTY OF :

The foregoing instrument was acknowledged before me this _____ day of _____ 1958, by JOHN ETCHEVERRY, Trustee.

My commission expires: _____

Notary Public

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 unit area.

IN WITNESS WHEREOF, the undersigned parties hereto have caused this agreement to be executed as of the respective dates set forth opposite their signatures.

ATTEST:

Assistant Secretary

Date _____

ATTEST:

Proctor

Assistant Secretary

Date _____

ATTEST:

Assistant Secretary

Date _____

FELMONT OIL CORPORATION

By _____
Vice-President

Address: P. O. Box 1855
Midland, Texas

SKELLY OIL COMPANY

By *W. L. ...*
Vice-President

Address: _____

GULF OIL CORPORATION

By _____
Vice-President

Address: _____

PHILLIPS PETROLEUM COMPANY

By _____
Vice-President

Address: _____

TIDEWATER OIL COMPANY

By _____
Vice-President

Address: _____

CONTINENTAL OIL COMPANY

By _____
Vice-President

Address: _____



Approved by *W. L. ...*
Form

STATE OF Oklahoma :

COUNTY OF Tulsa :

The foregoing instrument was acknowledged before me this 25th day of February 1958, by A. L. CASHMAN, Vice-President of Smith, Hill, Hill Co., a Delaware corporation, on behalf of said corporation.

My commission expires: NOTY PUBLIC
NOTY PUBLIC, Tulsa County, Oklahoma
My Commission Expires November 3, 1960

Keith Steens
Notary Public

STATE OF :

COUNTY OF :

The foregoing instrument was acknowledged before me this _____ day of _____ 1958, by _____.

My commission expires: _____

Notary Public

STATE OF :

COUNTY OF :

The foregoing instrument was acknowledged before me this _____ day of _____ 1958, by MARIE ETCHEVERRY.

My commission expires: _____

Notary Public

STATE OF :

COUNTY OF :

The foregoing instrument was acknowledged before me this _____ day of _____ 1958, by JOHN ETCHEVERRY as Attorney-in-Fact on behalf of Pello Etcheverry.

My commission expires: _____

Notary Public

STATE OF :

COUNTY OF :

The foregoing instrument was acknowledged before me this _____ day of _____ 1958, by JOHN ETCHEVERRY, Trustee.

My commission expires: _____

Notary Public

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 unit area.

IN WITNESS WHEREOF, the undersigned parties hereto have caused this agreement to be executed as of the respective dates set forth opposite their signatures.

ATTEST:

Assistant Secretary

Date _____

FELMONT OIL CORPORATION

By _____ Vice-President

Address: P. O. Box 1855
Midland, Texas

ATTEST:

Assistant Secretary

Date _____

SKELLY OIL COMPANY

By _____ Vice-President

Address: _____

ATTEST:

Assistant Secretary

Date: MAR 5 1958

GULF OIL CORPORATION

By *J. A. Skellern* Attorney In Fact Vice-President

Address: P. O. BOX 669
ROSWELL, NEW MEXICO

WORK
ESK
2/25

ATTEST:

Assistant Secretary

Date _____

PHILLIPS PETROLEUM COMPANY

By _____ Vice-President

Address: _____

ATTEST:

Assistant Secretary

Date _____

TIDEWATER OIL COMPANY

By _____ Vice-President

Address: _____

ATTEST:

Assistant Secretary

Date _____

CONTINENTAL OIL COMPANY

By _____ Vice-President

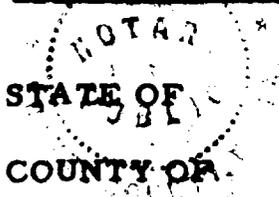
Address: _____

STATE OF NEW MEXICO :
:
COUNTY OF CHAVES :

The foregoing instrument was acknowledged before me this 5 day of March 1958, by W. A. SHELLSHEAR, Attorney In Fact of GULF OIL CORPORATION, a PENNSYLVANIA corporation, on behalf of said corporation.

My commission expires: 0-9-61

L. B. Logan
Notary Public



STATE OF :
:
COUNTY OF :

The foregoing instrument was acknowledged before me this _____ day of _____ 1958, by _____.

My commission expires: _____

Notary Public

STATE OF :
:
COUNTY OF :

The foregoing instrument was acknowledged before me this _____ day of _____ 1958, by MARIE ETCHEVERRY.

My commission expires: _____

Notary Public

STATE OF :
:
COUNTY OF :

The foregoing instrument was acknowledged before me this _____ day of _____ 1958, by JOHN ETCHEVERRY as Attorney-in-Fact on behalf of Pello Etcheverry.

My commission expires: _____

Notary Public

STATE OF :
:
COUNTY OF :

The foregoing instrument was acknowledged before me this _____ day of _____ 1958, by JOHN ETCHEVERRY, Trustee.

My commission expires: _____

Notary Public

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 unit area.

IN WITNESS WHEREOF, the undersigned parties hereto have caused this agreement to be executed as of the respective dates set forth opposite their signatures.

ATTEST:

Assistant Secretary

Date _____

FELMONT OIL CORPORATION

By _____
Vice-President

Address: P. O. Box 1855
Midland, Texas

SKELLY OIL COMPANY

By _____
Vice-President

Address: _____

GULF OIL CORPORATION

By _____
Vice-President

Address: _____

PHILLIPS PETROLEUM COMPANY

By _____
Vice-President

Address: _____

TIDEWATER OIL COMPANY

By Charles R. Brown
Vice-President

Address: W. H. BOX 731, TULSA, OKLAHOMA

CONTINENTAL OIL COMPANY

By _____
Vice-President

Address: _____



STATE OF :
:
COUNTY OF :

The foregoing instrument was acknowledged before me this 28th day of February 1958, by Charles R. Brown, vice President of Tidewater Oil Company, a Delaware corporation on behalf of said corporation.

My commission expires: September 16, 1958

Alex Casey
Notary Public

STATE OF :
:
COUNTY OF :

The foregoing instrument was acknowledged before me this _____ day of _____ 1958, by _____.

My commission expires: _____

Notary Public

STATE OF :
:
COUNTY OF :

The foregoing instrument was acknowledged before me this _____ day of _____ 1958, by MARIE ETCHEVERRY.

My commission expires: _____

Notary Public

STATE OF :
:
COUNTY OF :

The foregoing instrument was acknowledged before me this _____ day of _____ 1958, by JOHN ETCHEVERRY as Attorney-in-Fact on behalf of Pello Etcheverry.

My commission expires: _____

Notary Public

STATE OF :
:
COUNTY OF :

The foregoing instrument was acknowledged before me this _____ day of _____ 1958, by JOHN ETCHEVERRY, Trustee.

My commission expires: _____

Notary Public

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 unit area.

IN WITNESS WHEREOF, the undersigned parties hereto have caused this agreement to be executed as of the respective dates set forth opposite their signatures.

ATTEST:

Assistant Secretary

Date _____

ATTEST:

 James Rodgers
Assistant Secretary

Date March 14, 1958

FELMONT OIL CORPORATION

By _____
Vice-President

Address: P. O. Box 1855
Midland, Texas

SKELLY OIL COMPANY

By _____
Vice-President

Address: _____

GULF OIL CORPORATION

By _____
Vice-President

Address: _____

PHILLIPS PETROLEUM COMPANY

By _____
Vice-President

Address: _____

TIDEWATER OIL COMPANY

By _____
Vice-President

Address: _____

CONTINENTAL OIL COMPANY

By Ray M. King
ATTORNEY IN FACT Vice-President

Address: 1710 FAIR BUILDING
FORT WORTH, TEXAS

X
me
RTD

STATE OF _____ :
COUNTY OF Peru :

The foregoing instrument was acknowledged before me this 17th day of March 1958, by John M. Mays, Attorney-in-Fact for Peru Telephone Company, a Delaware corporation, on behalf of said corporation.

My commission expires: _____
John A. Teichmiller
Notary Public

STATE OF _____ :
COUNTY OF _____ :

The foregoing instrument was acknowledged before me this _____ day of _____ 1958, by _____.

My commission expires: _____
Notary Public

STATE OF _____ :
COUNTY OF _____ :

The foregoing instrument was acknowledged before me this _____ day of _____ 1958, by MARIE ETCHEVERRY.

My commission expires: _____
Notary Public

STATE OF _____ :
COUNTY OF _____ :

The foregoing instrument was acknowledged before me this _____ day of _____ 1958, by JOHN ETCHEVERRY as Attorney-in-Fact on behalf of Pello Etcheverry.

My commission expires: _____
Notary Public

STATE OF _____ :
COUNTY OF _____ :

The foregoing instrument was acknowledged before me this _____ day of _____ 1958, by JOHN ETCHEVERRY, Trustee.

My commission expires: _____
Notary Public

ATTEST:

[Signature]
Assistant Secretary

Date Feb. 19, 1950

WITNESS:

Date _____

WITNESS:

Date _____

MAGNOLIA PETROLEUM COMPANY

By *[Signature]*
Vice-President

Address: _____

G. M. Graham
Address: _____

John Etcheverry, Trustee

Marie Etcheverry

Pello Etcheverry, by Attorney-in-
Fact, John Etcheverry

Address: _____

[Handwritten notes]

STATE OF Texas :
COUNTY OF Dallas :

The foregoing instrument was acknowledged before me this 11th day of February 1958, by _____, a Texas corporation, on behalf of said corporation.

My commission expires: _____
Notary Public

STATE OF :
COUNTY OF :

The foregoing instrument was acknowledged before me this _____ day of _____ 1958, by _____.

My commission expires: _____
Notary Public

STATE OF :
COUNTY OF :

The foregoing instrument was acknowledged before me this _____ day of _____ 1958, by MARIE ETCHEVERRY.

My commission expires: _____
Notary Public

STATE OF :
COUNTY OF :

The foregoing instrument was acknowledged before me this _____ day of _____ 1958, by JOHN ETCHEVERRY as Attorney-in-Fact on behalf of Pello Etcheverry.

My commission expires: _____
Notary Public

STATE OF :
COUNTY OF :

The foregoing instrument was acknowledged before me this _____ day of _____ 1958, by JOHN ETCHEVERRY, Trustee.

My commission expires: _____
Notary Public

ATTEST:

MAGNOLIA PETROLEUM COMPANY

Assistant Secretary

By _____
Vice-President

Address: _____

Date _____

WITNESS:

Edith B. Smith

G. M. Graham
G. M. Graham

Address: 1508 Bedford Dr.
Midland, Tex.

Date February 18, 1958

WITNESS:

Paul Hardee

John Etcheverry
John Etcheverry, Trustee

Marie Etcheverry
Marie Etcheverry

Pello Etcheverry
Pello Etcheverry, by Attorney-in-Fact, John Etcheverry

Address: Box 1656
Livingston, N.M.

Date April 8, 1958

STATE OF :
:
COUNTY OF :

The foregoing instrument was acknowledged before me this _____ day of _____ 1958, by _____, _____ of _____, a _____ corporation, on behalf of said corporation.

My commission expires: _____
Notary Public

STATE OF *Illinois* :
:
COUNTY OF *Madison* :



The foregoing instrument was acknowledged before me this 19th day of February 1958, by G. M. Graham.

My commission expires: February 1959
Edith Smith
Notary Public

EDITH SMITH
NOTARY PUBLIC

STATE OF :
:
COUNTY OF :

The foregoing instrument was acknowledged before me this _____ day of _____ 1958, by MARIE ETCHEVERRY.

My commission expires: _____
Notary Public

STATE OF :
:
COUNTY OF :

The foregoing instrument was acknowledged before me this _____ day of _____ 1958, by JOHN ETCHEVERRY as Attorney-in-Fact on behalf of Pello Etcheverry.

My commission expires: _____
Notary Public

STATE OF :
:
COUNTY OF :

The foregoing instrument was acknowledged before me this _____ day of _____ 1958, by JOHN ETCHEVERRY, Trustee.

My commission expires: _____
Notary Public

CERTIFICATE OF APPROVAL
OF
COMMISSIONER OF PUBLIC LANDS

That I, the undersigned Commissioner of Public Lands of the State of New Mexico, do hereby approve the above and foregoing amendments to the Unit Agreement for the development and operation of the Etcheverry Unit Area, Lea County, New Mexico.

IN WITNESS WHEREOF this certificate of approval is executed this the _____ day of _____ 1958.

Commissioner of Public Lands
State of New Mexico

FELMONT OIL CORPORATION
WILCO BLDG. P. O. BOX 1855
MIDLAND, TEXAS

March 25, 1958

Oil Conservation Commission
Santa Fe, New Mexico

Re: Etcheverry Unit, Lea County, New Mexico

Gentlemen:

Pertaining to the captioned, this office has received a letter, dated March 20, 1958, from the State Land Office, copy of same having been furnished your office.

In connection with the above and in accordance with your Order No. R-1109 - Section 5, attached please find the following:

1. Photostatic copy of Unit Agreement, executed and acknowledged in counterpart.
2. Photostatic copy of Certificate of Approval by Commissioner of Public Lands, Santa Fe, New Mexico.

At your convenience, it would be appreciated if you would notify us if there is any other material needed by your office in order to comply with your regulations and keep this unit in good standing.

Thank you for your cooperation in regard to this matter.

Yours very truly,

W. C. Montgomery
W. C. Montgomery

WCM:eh
Encls

CERTIFICATE OF APPROVAL

BY COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

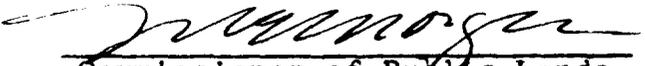
ETCHEVERRY UNIT AGREEMENT- Lea County, New Mexico

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 16, 1957, 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.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 20th. day of March 19 58.



Commissioner of Public Lands
of the State of New Mexico



CASE 1367

In reply refer to:
Unit Division

March 20, 1958

Felmont Oil Corporation
P. O. Box 1855
Midland, Texas

Re: Etcheverry Unit Agreement
Lea County, New Mexico

Attention: Mr. W. C. Montgomery

Gentlemen:

The Commissioner of Public Lands, has approved the Etcheverry Unit Agreement as of March 20, 1958.

We are retaining the original and photostatic copy of the Unit Agreement and sending to you an original and six executed copies of our certificate of approval.

In regard to the requirements of the New Mexico Oil Conservation Commission, under their order No. R-1109, Section 5, they require an executed original or executed counterpart of the unit agreement within thirty (30) days after the effective date. Therefore, you would file a copy of the unit agreement with a certificate of approval attached, as the effective date of the unit is the date of approval by the Commissioner of Public Lands.

Will you please furnish us a copy of your operating agreement on this unit and we also require all reports on wells drilled on the area, regardless if on fee land. These reports may be copies of the reports required by the Oil Conservation Commission.

We are mailing official receipts in the amount of \$20.00 to Hervey, Dow and Hinkle, since the filing fee was paid by and the receipts issued to them.

Felmont Oil Corporation
P. O. Box 1855
Midland, Texas

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If we can be of further service to you please do not hesitate to call upon us.

Very truly yours,

MURRAY E. MORGAN,
Commissioner of Public Lands

BY:

Ted Bilberry, Supervisor
Oil and Gas Division

MEM/MMR/s

cc: Oil Conservation Commission
Santa Fe, New Mexico

United States Geological Survey
Roswell, New Mexico

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

January 16, 1958

Mr. S. B. Christy, IV
Hervey, Dow & Hinkle
P.O. Box 547
Roswell, New Mexico

Dear Mr. Christy:

On behalf of your clients, John J. Eisner and Felmont Oil Corporation, we enclose two copies of Order R-1108 and Order R-1109 issued January 15, 1958, by the Oil Conservation Commission in Cases 1350 and 1367, respectively.

Very truly yours,

A. L. Porter, Jr.
Secretary - Director

bp
Encls.

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