

Oil Conservation Commission 9 a.m. Mabry Hall, State Capitol, Santa Fe

The following cases will be heard before Elvis A. Utz, Examiner:

CASE 1225: Application of Moab Drilling Company for authority to expand its water flood project in the High Lonesome Pool, Eddy County, New Mexico, and for approval of certain unorthodox well locations therein. Applicant, in the above-styled cause, seeks an order authorizing the expansion of its water flood project in the High Lonesome Pool, Eddy County, New Mexico, to include its Davis-Federal Well No. 11-W, a proposed water injection well to be drilled on an unorthodox location 1310 feet from the North line and 2630 feet from the West line of Section 15, Township 16 South, Range 29 East. Applicant further seeks an administrative procedure for the future expansion of said water flood project to include the following proposed water injection wells to be drilled on unorthodox locations:

Davis-Federal No. 1-W; 10 feet from the North line and 2630 feet from the West line of Section 15.

Davis-Federal No. 2-W; 10 feet from the North line and 1310 feet from the West line of Section 15.

Skelly-State No. 15-W; 1310 feet from the North line and 2630 feet from the West line of Section 16.

Skelly-State No. 25-W; 2630 feet from the North line and 2630 feet from the West line of Section 16.

All in Township 16 South, Range 29 East.

CASE 1511: Application of Newmont Oil Corporation for an order authorizing a pilot water flood project. Applicant, in the above-styled cause, seeks an order authorizing it to institute a pilot water flood project in the Loco Hills Pool in Eddy County, New Mexico. Applicant proposes to inject water into the Grayburg formation through one well in Section 1, Township 18 South, Range 29 East, and through five wells in Section 6, Township 18 South, Range 30 East, all in Eddy County, New Mexico.

CASE 1512: Application of Humble Oil & Refining Company for approval of a unit agreement. Applicant, in the above-styled cause, seeks an order approving its Bandana Point Unit Agreement embracing approximately 14,293 acres of Federal, state and fee acreage in Township 22 South, Range 23 East, and Township 23 South, Ranges 23 East and 24 East, all in Eddy County, New Mexico.

CASE 1513: Application of Drilling and Exploration Company, Inc. for an exception to the casing requirements for the potash-oil area in Lea and Eddy Counties, New Mexico. Applicant, in the above-styled cause, seeks an order authorizing an exception to the shallow-zone casing requirements for the potash-oil

CASE 1513 continued

area as set forth in Order No. R-111-A for its Ballard No. 1 Well located 1980 feet from the North and West lines of Section 27, Township 20 South, Range 34 East, Lea County, New Mexico. Applicant proposes to drill with cable tools to an approximate depth of 3,700 feet adjacent to the Lynch Pool. Applicant proposes to use the following casing program in lieu of the program prescribed for cable tool holes by Order R-111-A:

- (1) 13 3/8 inch casing to be cemented at approximately 70 feet.
- (2) 10 3/4 inch casing to be landed at approximately 700 feet.
- (3) 8 5/8 inch casing to be landed at approximately 1250 feet.
- (4) 5 1/2 inch casing to be cemented at the top of the producing formation with 50 sacks cement for testing purposes.
- (5) 10 3/4 inch casing and 8 5/8 inch casing to be pulled.
- (6) In the event commercial production is obtained, 5 1/2 inch casing to be perforated and cement circulated to surface.

CASE 1514: Application of Continental Oil Company for approval of a unit agreement. Applicant, in the above-styled cause, seeks an order approving its Tonto Deep Unit Agreement embracing 2,000 acres, more or less, of Federal and state lands in Township 18 South, Range 34 East, Lea County, New Mexico.

CASE 1515: Application of Continental Oil Company for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks an order establishing a 320-acre non-standard gas proration unit in the Jalmat Gas Pool consisting of the S/2 Section 22, Township 22 South, Range 36 East, Lea County, New Mexico, said unit to be dedicated to the applicant's Meyer B-22 Well No. 1 located 1650 feet from the South line and 990 feet from the East line of said Section 22.

CASE 1516: Application of El Paso Natural Gas Company for two non-standard gas proration units and for the approval of one unorthodox gas well location. Applicant, in the above-styled cause, seeks an order establishing a 120-acre non-standard gas proration unit in the Jalmat Gas Pool consisting of the N/2 SW/4 and the SW/4 SW/4 of Section 4, Township 25 South, Range 37 East, said unit to be dedicated to the applicant's Wells Federal No. 3 Well located 1980 feet from the South and West lines of said Section 4. Applicant further seeks the establishment of a 200-acre non-standard gas proration unit in the Jalmat Gas Pool consisting of the SE/4

CONSENT AND RATIFICATION OF UNIT OPERATING AGREEMENT
IN CONNECTION WITH BANDANA POINT UNIT AGREEMENT EMBRACING LANDS
IN EDDY COUNTY, NEW MEXICO

The undersigned, [REDACTED] Monsanto Chemical Company, has simultaneously herewith committed certain oil and gas leasehold interests to the Unit Agreement for the development and operation of the Bandana Point Unit Area embracing lands situated in Eddy County, New Mexico, which said Unit Agreement is dated November 20, 1958, and hereby acknowledges receipt of a copy of the Unit Operating Agreement entered into by and between working interest owners committing oil and gas leasehold interests to said Unit Agreement, and acknowledges that the undersigned has read the same and is familiar with all of the terms and conditions thereof and does hereby consent to said Unit Operating Agreement and does hereby ratify all of the terms and provisions thereof exactly the same as if the undersigned had executed the original of said Unit Operating Agreement or a counterpart thereof.

IN WITNESS WHEREOF this instrument is executed as of the date set forth opposite their respective signatures by the undersigned.

MONSANTO CHEMICAL COMPANY

Attorney-in-Fact

Frank Richardson
MCA

STATE OF TEXAS)
COUNTY OF HARRIS) ss

The foregoing instrument was acknowledged before me this 18th day of November, 1960, by Frank Richardson, Attorney in Fact of Monsanto Chemical Company, a Delaware Corporation, on behalf of said Corporation.

My Commission Expires:
June 1, 1961

Mary J. Lipscomb
Notary Public

ACCEPTANCE AND APPROVAL BY UNIT OPERATOR

The undersigned Unit Operator does hereby accept and approve the above and foregoing consent and ratification.

HUMBLE OIL & REFINING COMPANY

Date January 6, 1961

BY: R. R. McCarty

Production Manager — Western Area
Humble Division

Desc. AC
Acreage AC
Int. AC
Forms AC
Trade AC

Use 3(b) only if
no federal acreage
is included.

(b) That the unit operator periodically shall file with the Commission a Unit Statement of Progress, summarizing operations for the exploration and development of any lands committed to said Unit Agreement. This statement of progress shall be filed within 30 days after the expiration of each six-months period during the term of the unit agreement, and shall contain such pertinent data as may be necessary for the Commission to determine the progress being made in the Unit Area.

(4) (a) That the unit area shall be:

NEW MEXICO PRINCIPAL MERIDIAN

TOWNSHIP 22 South, RANGE 23 East

Section 34: all

Section 35: all

Section 36: all

Township 23 South, Range 23 East

Sections 1, 2, 3, 10, 11, 12, 13, 14, 15, 22, 23, 24, 25, 26 and 27: all

Township 23 South, Range 24 East

Section 6: Lots 3, 4, 5, 6 and 7, SE/4 NW/4, E/2 SW/4

Sections 7, 18, 19 and 30: all

containing 14,293 acres more or less.

Note (b) The unit area may be enlarged or contracted as provided in said Plan. (Omit if Agreement does not so provide.)

(5) That the unit operator shall file with the Commission an executed original or executed counterpart of the Bandana Point Unit Agreement within 30 days after the effective date thereof.

(6) That any party owning rights in the unitized substances who does not commit such rights to said unit agreement before the effective date thereof may thereafter become a party thereto by subscribing to such agreement or counterpart thereof, or by ratifying the same. The unit operator shall file with the Commission within 30 days an original of any such counterpart or ratification.

(7) That this Order shall become effective upon the approval of said unit agreement by the Director of the United States Geological Survey and the Commissioner of Public Lands for the State of New Mexico.

and shall terminate ipso facto upon the termination of said unit agreement. The last unit operator shall immediately notify the Commission in writing of such termination.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

, Chairman

, Member

, Member & Secretary

S E A L

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE NO. 1512
Order No. R-1259

THE APPLICATION OF Humble Oil and Refining Co.
FOR THE APPROVAL OF Bandana Point
UNIT

AGREEMENT EMBRACING 14,293
ACRES, MORE OR LESS, LOCATED IN TOWNSHIP 22 South, Range 23 East and
Township 23 South, RANGES 23 East, and 24 East
NMPM, Eddy County COUNTY, NEW
MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at _____ o'clock _____ m. on _____
19 _____ at _____, New Mexico, before _____

(Elvis on Oct. 2)

NOW, on this _____ day of _____ 19_____, the Commission, a quorum being
present, having considered _____

and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission
has jurisdiction of this cause and the subject matter thereof.

(2) That the proposed unit plan will in principle tend to promote the conservation
of oil and gas and the prevention of waste.

IT IS THEREFORE ORDERED:

(1) That this order shall be known as the
Bandana Point UNIT AGREEMENT ORDER.

Point (2) (a) That the project herein referred to shall be known as the Bandana
Unit Agreement and shall hereinafter be referred to as the "Project."

(b) That the Plan by which the project shall be operated shall be embraced
in the form of a unit agreement for the development and operation of the Bandana
Point Unit Area, referred to in the Petitioner's petition and filed with said
petition, and such plan shall be known as the Bandana Point Unit Agreement Plan.

(3) That the Bandana Point Unit Agreement Plan shall be, and
hereby is, approved in principle as a proper conservation measure; provided, however, that
notwithstanding any of the provisions contained in said unit agreement, this approval shall
not be considered as waiving or relinquishing in any manner any right, duties or obligations
which are now, or may hereafter, be vested in the New Mexico Oil Conservation Commission by
law relative to the supervision and control of operations for exploration and development of
any lands committed to said _____ Unit Agreement, or relative
to the production of oil and gas therefrom.

Use letter (a) only if
Paragraph 3(b) is used.

10-6-57

FEB 11 AM 8:27

In reply refer to:
Unit Division

February 10, 1959

File
1512

C
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Y

Parvey, Row and Hinkle
P. O. Box 547
Norwell, New Mexico

Air
Mail

Re: Bandana Point Unit Area,
Eddy County, New Mexico

Dear Mr. Hinkle:

This is to advise that the Commissioner of Public Lands has this date approved the Bandana Point Unit Area, Eddy County, New Mexico.

Six copies of our Certificate of Approval are being handed to Mr. Gene I. Oliver.

Your Official Receipt in the amount of \$115.00 covering the filing fee is also enclosed.

Very truly yours,
MURRAY E. MORGAN
Commissioner of Public Lands
BY:
Ted Bilberry, Supervisor
Oil and Gas Division

MEM/MSH/s
cc:

OGC- Santa Fe ✓
USGS- Norwell

ILLEGIBLE

OIL CONSERVATION COMMISSION
P. O. BOX 871
SANTA FE, NEW MEXICO

October 20, 1958

C
O
P
Y

Mr. Clarence Hinkle
Hervey, Dow & Hinkle
P.O. Box 547
Roswell, New Mexico

Dear Mr. Hinkle:

As per my letter of October 17th, enclosed are fully executed copies of Orders R-1257 covering the Tonto Deep Unit Agreement and R-1259 covering the Bandana Point Unit Agreement.

Very truly yours,

A. L. Porter, Jr.
Secretary - Director

bp
Encls.

OIL CONSERVATION COMMISSION
P. O. BOX 871
SANTA FE, NEW MEXICO

October 17, 1958

Mr. Clarence Hinkle
Hervey, Dow & Hinkle
P.O. Box 547
Roswell, New Mexico

Dear Mr. Hinkle:

We are enclosing a copy of orders R-1257 and R-1259 issued October 16, 1958, by the Oil Conservation Commission in Cases 1514 and 1512, respectively. A fully executed copy of each order will be forwarded to you the early part of next week.

Mrs. Rhea of the Land Office has been given a copy of each of these orders.

Very truly yours,

A. L. Porter, Jr.
Secretary - Director

bp
Encls.

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Y