

GREAT WESTERN DRILLING CO.  
MIDLAND, TEXAS

August 3, 1961

Re: Grain Queen Unit  
Lea County, New Mexico

Commissioner of Public Lands  
State of New Mexico  
P.O. Box 791  
Santa Fe, New Mexico

Attention: Miss Marion Rhea

Gentlemen:

For your files and information, we are enclosing three (3) copies of revised Exhibits "B" and "C" to the Grain Queen Unit, effective July 1, 1961.

It is requested that you furnish us with a letter of acknowledgement from the Commissioner covering the revised Exhibits. We are enclosing our check in the amount of \$1.00 covering the certificate fee.

Yours very truly,

GREAT WESTERN DRILLING COMPANY

*S. H. Snoddy*  
S. H. Snoddy  
Land Manager

SHS:mc  
Encl.

✓cc/encl. Oil Conservation Commission  
P.O. Box 871  
Santa Fe, New Mexico

cc/encl. Mr. S. B. Christy, IV  
P.O. Box 10  
Roswell, New Mexico

Effective July 1, 1961

EXHIBIT "B"

GRAIN QUEEN UNIT

WELL INFORMATION

<u>TRACT NO.</u>	<u>DESCRIPTION</u>	<u>NUMBER OF ACRES</u>	<u>LEASE AND/OR ASSIGNMENT NO.</u>	<u>BASIC ROYALTY</u>	<u>LESSEE OF RECORD</u>	<u>OVERRIDING ROYALTY OWNER AND AMOUNT</u>	<u>WORKING INTEREST OWNER AND AMOUNT</u>	<u>PER CENT PARTICIPATION OF TRACT IN UNIT</u>
1	SE/4 NW/4 Sec.5, T-13-S, R-32-E	40	B-9171	12.5%	Great Western	None	Great Western Dr1g. - 100%	12.222014
2	S/2 SW/4, NE/4 SW/4 Sec. 5. T-13-S, R-32-E	120	B-10907	12.5%	Great Western	None	Great Western Dr1g. - 100%	65.185113
3	NE/4 NW/4 Sec.8, T-13-S, R-32-E	40	Estelle Williams	12.5%	Graridge	The Vickers Petroleum Co., Inc. - 5% of 7/8 Subject to Agreement dated 8-16-60	Graridge Corp. - 100%	22.592873

Effective  
July 1, 1961

EXHIBIT "C"  
GRAIN QUEEN UNIT

UNIT PARTICIPATION

<u>WORKING INTEREST OWNERS</u>	<u>TOTAL UNIT PARTICIPATION</u>
Graridge Corporation	22.592873
Great Western Drilling Company	<u>77.407127</u>
Total	100.000000

File

**GRAIN QUEEN UNIT**  
Lea County, New Mexico

FLOOD NO. 750-40

PROGRESS REPORT NO. 2

August, 1961

Production for the month was 4,387 barrels of oil for an average of 141 barrels per day. Water production was 527 barrels. Injected water was 11,594 barrels for an average of 187 barrels per well per day. Isoflow surveys were made on the injection wells 5-6 and 5-14. Well 8-3 had a hot oil treatment of 80 barrels.

INJECTION DATA

<u>Well No.</u>	<u>Injection Pressure</u>	<u>Avg. Daily Injection - BWPL</u>	<u>Monthly Total - BW</u>	<u>Cumulative Total - BW</u>
5-6	1200	28	877	1,943
5-14	1160	346	<u>10,717</u>	<u>15,117</u>
		Total	<u>11,594</u>	<u>17,060</u>

MONTHLY & CUMULATIVE PRODUCTION

<u>Well No.</u>	<u>Avg. Daily Prod. Oil</u>	<u>Avg. Daily Prod. Water</u>	<u>Monthly Oil</u>	<u>Monthly Water</u>	<u>Cumulative Oil</u>	<u>Cumulative Water</u>
5-11	9	14	295	434	621	899
5-13	98	3	3,038	93	5,983	186
8-3	34	0	<u>1,054</u>	<u>0</u>	<u>2,046</u>	<u>0</u>
		Total	<u>4,387</u>	<u>527</u>	8,650	1,085
		Production of wells converted to Injection			<u>780</u>	<u>0</u>
		Total Cumulative			<u>9,430</u>	<u>1,085</u>

WELL STATUS

3 Producing Wells  
2 Injection Wells

UNIT EMPLOYEES

1 Pumper

GREAT WESTERN DRILLING COMPANY

By C. H. Crews  
C. H. Crews

OHC:tr  
9-13-61

COPY

HERVEY, DOW & HINKLE, ATTORNEYS  
ROSWELL, NEW MEXICO

Case # 2293

July 24, 1961

Great Western Drilling Company  
Box 1659  
Midland, Texas

Attention: Mr. S. H. Snoddy

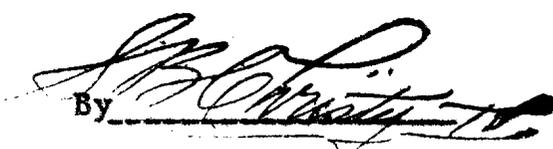
Re: Grain Queen Unit  
Our No. 144-9

Gentlemen:

We return herewith recorded Certificate dated July 11, 1961, recorded in Chaves County, New Mexico, July 18, 1961, in Book 175 at page 225; this is the Certificate required under Section 23 (d) of the above Unit Agreement.

Respectfully,

HERVEY, DOW & HINKLE

By 

SBC/bk

enc.

cc: Commissioner of Public Lands  
State Land Office Building  
Santa Fe, New Mexico

New Mexico Oil Conservation Commission ✓  
Santa Fe  
New Mexico

COPY

HERVEY, DOW & HINKLE, ATTORNEYS  
ROSWELL, NEW MEXICO

July 17, 1961

Commissioner of Public Lands  
State Land Office Building  
Santa Fe, New Mexico

*Unit Case # 2293*

New Mexico Oil Conservation Commission ✓  
Santa Fe  
New Mexico

Lea County Clerk  
Court House  
Lovington, New Mexico

Re: Grain Queen Unit

Gentlemen:

We enclose herewith to the Commissioner two copies, to the Commission one copy, and to the County Clerk one copy plus filing fee of \$1.75, each of a Certificate dated July 11, 1961, executed by the Unit Operator reflecting that the unit was effective as of 7:00 A.M., July 1, 1961.

Respectfully,

HERVEY, DOW & HINKLE

By \_\_\_\_\_

SBC/bk

enc.

cc: Great Western Drilling Co.

CERTIFICATE

Great Western Drilling Company, by and through its President, R. C. Tucker, does hereby certify:

1. Great Western Drilling Company is the Unit Operator of the Grain Queen Unit Agreement covering lands in Township 13 South, Range 32 East, N.M.P.M., Lea County, New Mexico. This Certificate is made pursuant to Section 23 (d) of said Unit Agreement.

2. The above Unit Agreement, and the attendant Unit Operating Agreement, were effective as of 7:00 A.M. on July 1, 1961.

3. (a) Prior to the above effective date, the above mentioned Unit Agreement and Unit Operating Agreement have been executed or ratified by Working Interest Owners owning a combined Unit participation of at least 90%, and the above mentioned Unit Agreement has been executed or ratified by Royalty Owners owning a combined interest of at least 66-2/3% of the Royalty Interest, in the Unit Area covered by said Unit Agreement.

(b) The Unit Agreement was approved by the Commissioner of Public Lands of the State of New Mexico on June 22, 1961; the Unit Agreement was approved by the Oil Conservation Commission of the State of New Mexico on June 8, 1961, by Order R-1994, in Case 2293.

(c) One counterpart of said Unit Agreement was filed for record in the Office of the County Clerk of Lea County, New Mexico, by the undersigned Unit Operator on June 26, 1961, and now appears in the Records of said County Clerk in Oil and Gas Book 174, at Page 447. All ratifications and approvals of the Unit Agreement received by Unit Operator prior to such recording was further recorded at said date and place.

DATED this 11 day of July, 1961.

ATTEST:

GREAT WESTERN DRILLING COMPANY

R. W. Pearman  
R. W. Pearman, Assistant Secretary

By: R. C. Tucker  
R. C. Tucker, President

STATE OF TEXAS            )  
                                  ( ss.  
COUNTY OF MIDLAND    )

The foregoing instrument was acknowledged before me this 11 day of July, 1961, by R. C. Tucker, President of Great Western Drilling Company, a Texas corporation, on behalf of said corporation.

My Commission Expires

Sam H. Snoddy  
Notary Public

SAM H. SNODDY  
NOTARY PUBLIC, MIDLAND COUNTY, TEXAS  
MY COMMISSION EXPIRES JUNE 1, 1963.

**In Reply: Refer  
to Unit Division**

**June 22, 1961**

**Great Western Drilling Company  
Box 1659  
Midland, Texas**

**Re: Grain Queen Unit  
Agreement, Lea County,  
New Mexico**

**Attention: Mr. S. H. Snoddy**

**Gentlemen:**

**The Commissioner of Public Lands has approved  
the Grain Queen Unit Agreement as of June 22, 1961.**

**We are enclosing five Certificates of Approval.**

**We assume the effective date of this unit will  
be as of July 1, 1961, will you please verify this  
effective date.**

**Very truly yours,**

**E. S. JOHNNY WALKER  
COMMISSIONER OF PUBLIC LANDS**

**BY:**

**Ted Bilberry, Supervisor  
Oil and Gas Division**

**Enc:  
cc: OCC  
ESW/wmr/v**



STATE OF NEW MEXICO

STATE ENGINEER OFFICE

SANTA FE

S. E. REYNOLDS  
STATE ENGINEER

May 9, 1961

ADDRESS CORRESPONDENCE TO:  
STATE CAPITOL  
SANTA FE, N. M.

*File  
Case 2293*

Mr. A. L. Porter, Jr.  
Secretary-Director  
Oil Conservation Commission  
Santa Fe, New Mexico

Dear Mr. Porter:

Reference is made to the application of Great Western Drilling Company which seeks approval of their proposed Grain Queen Unit Agreement for the purpose of secondary recovery operations, for authority to institute a water flood project in the Caprock Queen Pool and for the expansion thereof by administrative procedure, and for authority to commingle the production from all wells producing unitized substances within the unit area in Lea County, New Mexico, which was received in this office on May 8, 1961.

I have discussed this application with Mr. John Hampton, Chief Production Engineer for Great Western Drilling Company by telephone this date. He states that the surface casing had cement circulated to the surface and that injection will be through tubing and packer. With this information, in addition to that contained in the application and the exhibits forwarded to this office, I have reached the conclusion that the approval of this application will not constitute a threat to the fresh waters which exist in the area. Therefore, this office offers no objection to the approval of this application.

Yours very truly,

FEI/ma  
cc-Great Western Drilling Co.  
Attn. Mr. John Hampton

Mr. S. B. Christy, IV  
Hervey, Dow & Hinkle

F. H. Hennighausen

S. E. Reynolds  
State Engineer

By: *Frank E. Irby*  
Frank E. Irby  
Chief  
Water Rights Division

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.  
Order No.

THE APPLICATION OF \_\_\_\_\_  
\_\_\_\_\_  
FOR THE APPROVAL OF \_\_\_\_\_  
\_\_\_\_\_ UNIT  
AGREEMENT EMBRACING \_\_\_\_\_  
ACRES, MORE OR LESS, LOCATED IN TOWNSHIP  
\_\_\_\_\_, RANGE \_\_\_\_\_  
NMPM, \_\_\_\_\_ 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 \_\_\_\_\_

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 \_\_\_\_\_ UNIT AGREEMENT ORDER.
- (2) (a) That the project herein referred to shall be known as the \_\_\_\_\_ 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 \_\_\_\_\_ Unit Area, referred to in the Petitioner's petition and filed with said petition, and such plan shall be known as the \_\_\_\_\_ Unit Agreement Plan.

(3) (a) That the \_\_\_\_\_ 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.*

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 \_\_\_\_\_, RANGE \_\_\_\_\_

containing \_\_\_\_\_ 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 \_\_\_\_\_ 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 \_\_\_\_\_

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