



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

P. O. BOX 2088 - SANTA FE

87501

May 3, 1971

**GOVERNOR
BRUCE KING
CHAIRMAN**

**LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER**

**STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR**

Mr. Sumner Buell
Montgomery, Federici, Andrews,
Hannahs & Morris
Attorneys at Law
Post Office Box 2307
Santa Fe, New Mexico

Re: Case No. 4518

Order No. R-4130-A

Applicant:

American Quasar Petroleum Co.

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Very truly yours,

A. L. Porter, Jr.

A. L. PORTER, Jr.

Secretary-Director *de*

ALP/ir

Copy of order also sent to:

Hobbs OCC **x**

Artesia OCC

Aztec OCC

Other _____



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87501

April 6, 1971

GOVERNOR
BRUCE KING
CHAIRMAN

LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

Mr. Sumner Buell
Montgomery, Federici, Andrews,
Hannahs & Morris
Attorneys at Law
Post Office Box 2307
Santa Fe, New Mexico

Re: Case No. 4518
Order No. R-4130
Applicant:
American Quasar Petroleum Co.

DOCKET MAILED

Date 4-16-71

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC x

Artesia OCC

Aztec OCC

Other Unit Division - State Land Office

RECEIVED

SEP 30 1971

U.S. DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
SANTA FE

September 30, 1971

Mr. L. C. White, Jr.
P. O. Box 1026
Midland, Texas 79701

Re: Vaca Draw Unit Agreement
Lea County, New Mexico

Dear Mr. White:

The Commissioner of Public Lands has this date approved your Vaca Draw Unit, Lea County, New Mexico, subject to like approval by the United States Geological Survey.

Enclosed are five (5) Certificates of Approval.

This unit agreement becomes effective upon approval by the United States Geological Survey, therefore, please furnish us a copy of their Certificate of Determination so that we may finish processing this unit.

Very truly yours,

Ray D. Graham, Director
11/1/71

AJA/RDG/s
encls.

cc: USGS-Roswell, New Mexico
BIC-Santa Fe, New Mexico ✓



IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

4503

Mr. E. B. White, Jr.
P.O. Box 1024
Midland Texas 79701

970 SEP 8 AM 9 12
SEP 3 - 1970

Dear Mr. White:

Your application of August 14, filed with the Acting Oil and Gas Supervisor, Roswell, New Mexico, requests the designation of the Vaca Draw unit area embracing 7,480 acres, Lea County, New Mexico, as logically subject to exploration and development under the unitization provisions of the Mineral Leasing Act, as amended. The proposed unit area is comprised of 6,720 acres (87.3 percent) of Federal land, 640 acres (8.3 percent) of State of New Mexico land, and 320 acres (4.2 percent) of fee land.

The land outlined on your plat marked "Exhibit A, Vaca Draw Unit", is hereby designated as a logical unit area. The unit agreement submitted for the area designated should be identical to the Form of Agreement for Unproved Areas (1968 reprint), modified to include appropriate language required for State of New Mexico lands, and should provide for the drilling of the initial well to test formations in the Atoka series of Pennsylvanian age or to a maximum depth of 15,000 feet.

In the absence of any other type of land requiring special provisions, or any objections not now apparent, a duly executed agreement identical to the 1968 reprint, modified as outlined above, and approved by the appropriate officials of the State of New Mexico, will be approved if submitted in approvable status within a reasonable period of time. However, the right is reserved to deny approval of any executed agreement, which, in our opinion, does not have full commitment of sufficient lands to afford effective control of unit operations.

Please include the latest status of all acreage when the executed agreement is submitted for final approval. The format of the sample exhibits attached to the 1968 reprint of the standard form should be followed closely in the preparation of exhibits A and B.

II I FGIRI F

Since the unit area contains State of New Mexico lands, we are sending a copy of this letter to the State Land Commissioner in Santa Fe. Please contact the State of New Mexico before soliciting joiners, regardless of prior contacts with or clearances from the State.

Sincerely yours,

W. A. Radlinski

Acting Director

cc:

Roswell (2)

SLM, Santa Fe (w/cy Ex. A)

Com. of Pub. Lands, Santa Fe (w/cy Ex. A)

NMOCC, Santa Fe ✓

Daniel:ds:8-21-70

SERIALS:

Las Cruces 067748
068848
068867
068347-A
070381-A
New Mexico 06792
06906
024366-A
0340232

ILLEGIBLE



IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Drawer 1857
Roswell, New Mexico 88201

RECEIVED

September 30, 1971

OCT - 6 1971

OIL CONSERVATION COMM.
SANTA FE

Mr. E. B. White, Jr.
P.O. Box 1026
Midland, Texas 79701

Dear Mr. White:

The Vaca Draw unit agreement, Lea County, New Mexico, was approved on September 30, 1971. This agreement has been designated No. 14-08-0001-11593 and is effective as of the date of approval.

Enclosed is one copy of the approved unit agreement. We request that you furnish the State of New Mexico and any other interested principals with appropriate evidence of this approval.

Sincerely yours,

N. O. FREDERICK
Regional Oil and Gas Supervisor

cc:
Washington (w/approved agmt.)
BLM, Santa Fe (w/approved agmt.)
Hobbs (w/approved agmt.)
BMC, Roswell (ltr. only)
Com. Pub. Lands, Santa Fe (ltr. only)
NMOCC, Santa Fe (ltr. only)

4518

E. B. WHITE, JR.

P. O. BOX 1026

MIDLAND, TEXAS 79701

October 5, 1971

OFFICE PHONE
682-4434

RECEIVED

OCT-11-71

RESIDENCE PHONE
683-1593

NEW MEXICO OIL CONSERVATION COMMISSION
ATTENTION: MR. A. L. PORTER, JR.

New Mexico Oil Conservation Commission
Box 2088
Santa Fe, New Mexico 87501
Attention: Mr. A. L. Porter, Jr.

Re. Vaca Draw Unit, Lea County, New Mexico (Case No. 4518 - Order
No. R-4130)

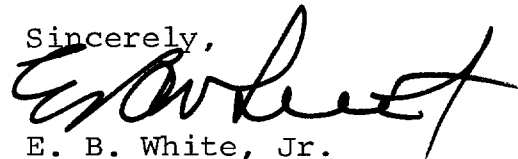
Gentlemen:

In connection with the captioned, enclosed are the following:

1. Certificate of Approval of U. S. G. S.
2. Certificate of Approval of Commissioner of Public Lands,
State of New Mexico
3. Unit Agreement executed by the Unit Operator and a working
interest owner.
4. Ratifications and Joinders of all other working interest
owners and lessees of record in the captioned unit.

Please advise if you require anything additional.

Sincerely,



E. B. White, Jr.

EBW:w
encls

CERTIFICATION--DETERMINATION


Pursuant to the authority vested in the Secretary of Interior, under the act approved February 25, 1920, 41 Stat. 437, as amended, 30 U. S. C. secs. 181, et seq., and delegated to the Oil and Gas Supervisors of the Geological Survey (33 F. R. 5812), I do hereby:

A. Approve the attached agreement for the development and operation of the Vaca Draw Unit Area, State of New Mexico.

B. Certify and determine that the unit plan of development and operation contemplated in the attached agreement is necessary and advisable in the public interest for the purpose of more properly conserving the natural resources.

C. Certify and determine that the drilling, producing, rental, minimum royalty, and royalty requirements of all Federal leases committed to said agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of this agreement.

Dated September 30, 1971.



Oil and Gas Supervisor, United States Geological
Survey



NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

VACA DRAW UNIT AGREEMENT

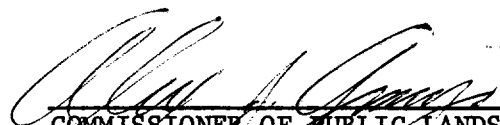
LEA COUNTY, NEW MEXICO

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 March 10, 1971, which said Agreement has been 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, and 7-11-48, New Mexico Statutes Annotated, 1953 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, do hereby consent to and approve the said Agreement, however, such consent and approval being limited and restricted to such lands within the Unit Area, which are effectively committed to the Unit Agreement as of this date, and, further, that leases insofar as the lands covered thereby committed to this Unit Agreement shall be and the same are hereby amended to conform with the terms of such Unit Agreement, and said leases shall remain in full force and effect in accordance with the terms and conditions of said Agreement. This approval is subject to all of the provisions and requirements of the afore-said statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 30th. day of September, 19 71.

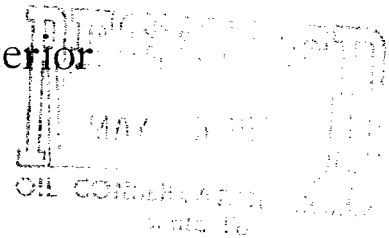

COMMISSIONER OF PUBLIC LANDS
of the State of New Mexico



United States Department of the Interior

GEOLOGICAL SURVEY

Drawer 1857
Roswell, New Mexico 88201



May 23, 1973

In Reply Refer To:
Gillham/Engr

American Quasar Petroleum Company of New Mexico
Attention: Mr. Ted Collings, Jr.
606 Vaughn Building
Midland, Texas 79701

Gentlemen:

The Vaca Draw unit agreement, Lea County, New Mexico, was approved September 30, 1971, by the Regional Oil and Gas Supervisor, effective as of the date of approval. The term of such agreement is contingent upon the unit operator drilling one well at a time, allowing not more than 6 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.

Our records show that the second test well was due to be commenced May 12, 1973. Inasmuch as such well was not commenced, the Vaca Draw unit agreement is considered to have terminated automatically as of May 12, 1973, pursuant to Section 9 of the agreement.

Sincerely yours,

(ORIG. SGD) C. C. TRAYWICK

CARL C. TRAYWICK
Acting Area Oil and Gas Supervisor

cc:
Washington (thru Denver)
BLM, Santa Fe
Hobbs
Com. Pub. Lands, Santa Fe
✓ NMDC, Santa Fe
Area Geologist, Roswell

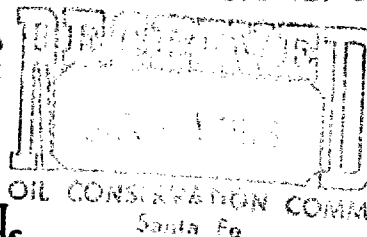
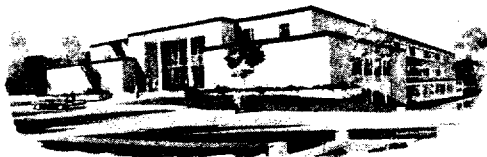
Note to BLM: All committed Federal leases within the Vaca Draw unit area should be considered for two-year extensions pursuant to 43 CFR 3107.5, as applicable.

JAGillham:ds

State of New Mexico

TELEPHONE

505-a27-2746



Commissioner of Public Lands

ALEX J. ARMIJO
COMMISSIONER

May 31, 1973

P. O. BOX 1148
SANTA FE, NEW MEXICO

REGISTERED MAIL

American Quesser Petroleum Company of New Mexico
506 Vaughn Building
Midland, Texas 79701

Re: Vaca Draw Unit
TERMINATION
Lea County, New Mexico

ATTENTION: Mr. Ted Collings, Jr.

Gentlemen:

This is to advise you that you have failed to comply with Section 9 of the Unit Agreement for the Vaca Draw Unit. Therefore, we concur with the United States Geological Survey that the Vaca Draw Unit has automatically terminated as of May 12, 1973, which is the date your second test well was due to be commenced.

Please notify all interested parties of this action.

Very truly yours,

KAY D. GRAHAM, Director
Oil and Gas Department

AJA/EDG/s
cc:

USGS-Roswell, New Mexico
OCC- Santa Fe, New Mexico ✓

Unit Name VACA DRAW UNIT (Exploratory)
Operator American Quasar Petroleum Company
County Lea

000
4218

DATE	OCC CASE NO.	4518	EFFECTIVE DATE	TOTAL ACREAGE	STATE	FEDERAL	SEGREGATION	TERM
APPROVED	OCC ORDER NO.	R-4130	DATE	ACREAGE	STATE	FEDERAL	SEGREGATION	TERM
Commissioner	April 6, 1971		9-30-71	7,680.00	640.00	6,720.00	320.00	Yes
9-30-71								5 yrs.

UNIT AREA

TOWNSHIP 25 SOUTH, RANGE 33 EAST, NMPM

Sections 8, 9, and 10: All
Sections 15, 16, and 17: All
Sections 20, 21 and 22: All
Sections 27, 28, and 29: All

TERMINATED
306 5-12-73

Unit Name VACA DRAW UNIT (EXPLORATORY)
Operator American Quasar Petroleum Company
County Lea

STATE TRACT NO.	LEASE NO.	INSTI- TUTION	SEC.	TWP.	RGE.	SUBSECTION	RATIFIED DATE	ACRES	ACREAGE NOT RATIFIED	LESSEE
11	L-6328	C.S.	16	25S	33E	A11	9-10-71	640.00		American Quasar Petroleum Company