

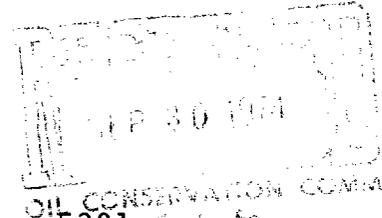
CLEARY PETROLEUM CORPORATION
300 PRENTICE BUILDING, NORTH BROADWAY PLAZA
OKLAHOMA CITY, OKLAHOMA 73116
(405) 843-5551

W. B. CLEARY, CHAIRMAN

TELEX NO.
74 7159

September 27, 1974

New Mexico Oil Conservation Commission
State of New Mexico
Santa Fe, New Mexico 87501



Re: Case No. 5301 Santa Fe
Order No. R-4849
Quarry Unit
Lea County, New Mexico

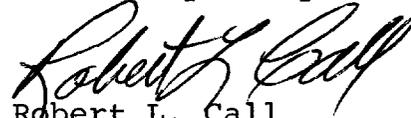
Gentlemen:

In compliance with paragraph 3 of the above order, enclosed are the following items for your files:

1. Unit Agreement, Quarry Unit Area, dated 6-1-74;
2. Application for Approval of the Unit Agreement, Quarry Unit Area, dated 7-25-74;
3. Certification-Determination by U.S.G.S. dated 7-29-74 approving Item #1;
4. Change of Unit Operator dated 8-6-74, approved by U.S.G.S. 9-16-74;
5. Approval of Change of Unit Operator executed by Unit Working Interest Owners under various dates.

If any other information is required for your records, please let us know and we will furnish it as soon as possible.

Yours very truly,


Robert L. Call
Landman

RLC/pdr

Enclosures

5201
RECEIVED
JUN 20 1974
CONSERVATION COMM
LEA CO

R. J. Zonne
c/o Hinkle, Bondurant, Cox & Eaton
Attorneys For Applicant
P. O. Box 10
Roswell, New Mexico 88201

Gentlemen:

Your application dated June 4, 1974, filed with the Oil and Gas Supervisor, Roswell, New Mexico, on June 4, 1974, requests the designation of the Quarry unit area embracing 5177.08 acres, more or less, Lea County, New Mexico, as logically subject to exploration and development under the unitization provisions of the Mineral Leasing Act, as amended.

Pursuant to the unit plan regulations of December 22, 1950, 30 CFR 226.3, the land requested, as described on your plat marked "Exhibit A, Quarry Unit Area, Lea County, New Mexico," is hereby designated as a logical unit area.

The unit agreement submitted for the area designated should provide for a well to be drilled to test the Morrow Formation or to a depth of 14,700 feet. Use of the Form of Agreement for Unproved Areas will be acceptable provided said form of agreement is further modified as follows:

1. Add the following as a new first paragraph under Section 11, "Participation After Discovery":

"Determination as to whether a well completed within the unit area prior to the effective date of this agreement is capable of producing unitized substances in paying quantities shall be deferred until an initial participating area is established as the result of the completion of a well for production in paying quantities in accordance with Section 9 hereof."

2. Add the words "as amended" after "(30 ER 12319)" in Section 25, Nondiscrimination.

3. Add the following as a new section:

"PROTECTION OF POTASH. No wells will be drilled for oil or gas at a location on Federal lands which in the opinion of the

Supervisor would result in undue waste of potash deposits or constitute a hazard to or unduly interfere with mining operations being conducted for the extraction of potash deposits.

The drilling or abandonment of any well on unitized land shall be done in accordance with applicable oil and gas regulations, including some requirements as to Federal lands as may be prescribed by the Supervisor as necessary to prevent the infiltration of oil, gas, or water into formations containing potash deposits or into mines or workings being unitized in the extraction of such deposits.

Well records and survey plats that an oil and gas lessee of Federal lands must file pursuant to applicable operating regulations (30 CFR Part 221) shall be available for inspection at the office of the Supervisor to any party holding a potash permit or lease on the Federal land on which the well is situated insofar as such records are pertinent to the mining and protection of potash deposits.*

In the absence of any other type of land requiring special provisions or any objection not now apparent, a duly executed agreement identical to said form, modified as indicated above, will be approved if submitted in approvable status within a reasonable time. However, the right is reserved to deny approval of any executed agreement which in our opinion does not have full commitment of sufficient land to afford effective control of operations in the unit area.

When the agreement is transmitted to the Oil and Gas Supervisor for approval, include the latest status of all acreage. The format of the sample exhibits attached to the 1968 reprint of the aforementioned form of agreement should be followed closely in the preparation of Exhibits A and B.

Sincerely yours,



Conservation Manager, Central Region
For the Director

cc: New Mexico Oil and Gas Cons. Comm.
Conservation Division Reading File
Roswell (2)



United States Department of the Interior

GEOLOGICAL SURVEY

Drawer 1857
Roswell, New Mexico 88201



September 2, 1975

Cleary Petroleum Company
Attention: Mr. Claude L. Ober
200 Gibbs Tower West
Midland, Texas 79701

5301

Gentlemen:

The Quarry unit agreement, Lea County, New Mexico, was approved July 29, 1974, by the Acting Area 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 six months time between the completion of one well and the beginning of the next, until a well capable of producing unitized substances in paying quantities is completed.

Our records show that following extensive testing of the Morrow formation, a completion date of February 20, 1975, was set for the first Quarry unit test well by our letter of June 20, 1975. Your letter of August 14, 1975, indicates that unit well No. 1 is not capable of producing unitized substances in paying quantities pursuant to the terms of the unit agreement, and that you do not plan additional drilling on the Quarry unit.

Accordingly, inasmuch as the second unit test well was not commenced by August 20, 1975, six months from the completion date set for the first unit test well, the Quarry unit agreement is considered to have automatically terminated as of August 20, 1975, pursuant to Section 9 of the agreement.

Sincerely yours,

[ORIG. SGD.] CARL C. TRAYWICK

CARL C. TRAYWICK
Acting Area Oil and Gas Supervisor

cc:
BLM, Santa Fe
Com. Pub. Lands, Santa Fe
NMOCC, Santa Fe ✓
Area Geologist, Roswell
Hobbs (w/ey ltr.)

Note to BLM: All Federal leases committed to the Quarry unit agreement should be considered for two year extensions pursuant to 43 CFR 3107.5, as applicable.

ARStall/hr



United States Department of the Interior

GEOLOGICAL SURVEY

Drawer 1857
Roswell, New Mexico 88201



September 16, 1974

5501

Hinkle, Bondurant, Cox & Eaton
Attention: Mr. Clarence E. Hinkle
P.O. Box 10
Roswell, New Mexico 88201

Gentlemen:

Four copies of the necessary instruments for the designation of a successor operator were filed by you with this office on September 13, 1974, whereby R. J. Zonne resigns as unit operator, and Cleary Petroleum Corporation accepts the duties and responsibilities as successor operator for the Quarry unit agreement, No. 14-08-0001-14170, Lea County, New Mexico.

The selection of Cleary Petroleum Corporation as successor unit operator is approved and effective as of the date of this letter. Copies of the approved instruments are being distributed to the appropriate Federal offices and one copy is returned herewith.

Sincerely yours,

(Orig. Sgd) RONNIE E. SHOOK

RONNIE E. SHOOK
Acting Area Oil and Gas Supervisor

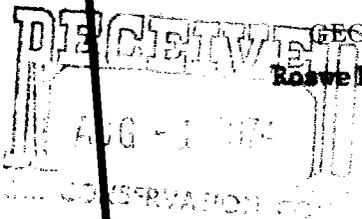
cc:
BLM, Santa Fe (w/cy instrs.)
NMOCC, Santa Fe (ltr only)
Com. Pub. Lands, Santa Fe (ltr only)
Hobbs (w/cy instruments)

ARStall:ds



United States Department of the Interior

5301



GEOLOGICAL SURVEY
Drawer 1837
Roswell, New Mexico 88201

July 29, 1974

Hinkle, Bondurant, Cox & Eaton
Attention: Mr. Clarence Hinkle
P.O. Box 10
Roswell, New Mexico 88201

Gentlemen:

The Quarry unit agreement, Lea County, New Mexico, filed by you in behalf of R. F. Zonne was approved on July 29, 1974. This agreement has been assigned No. 14-08-0001-14170 and is effective as of July 29, 1974.

Enclosed are two copies of the approved unit agreement. We request that you furnish the Commissioner of Public Lands and the Oil Conservation Commission, both of the State of New Mexico, and all other interested principals with appropriate evidence of this approval.

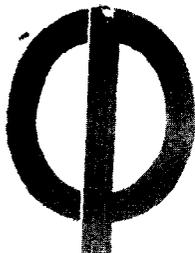
Sincerely yours,

(ORIG. SGD.) CARL C. TRAYWICK

CARL C. TRAYWICK
Acting Area Oil and Gas Supervisor

cc:
NMOCC, Santa Fe (ltr only)
Com. Pub. Lands, Santa Fe (ltr only)
Area Geologist, Roswell (ltr only)
Hobbs (w/cy appl)

ARStall:ds



TELEX NO
74-7159

CLEARY PETROLEUM CORPORATION
305 PRENTICE BUILDING, NORTH BROADWAY PLAZA
OKLAHOMA CITY, OKLAHOMA 73116
(405) 843-5551

RECEIVED
OCT 23 1974
OIL CONSERVATION COMMISSION
Santa Fe
W. B. CLEARY, CHAIRMAN
S. J. CERNY, PRESIDENT

October 21, 1974

5301

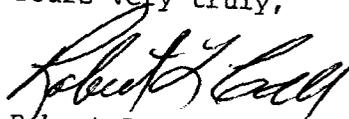
New Mexico Oil Conservation Commission
State of New Mexico
Santa Fe, New Mexico 87501

Re: Case 5301
Order No. R-4849
Quarry Unit
Lea County, New Mexico

Gentlemen:

Enclosed are copies of Consent and Ratification forms executed
by overriding royalty owners under the subject unit.

Yours very truly,


Robert L. Call
Landman

RLC/pdr

Enclosures

CONSENT AND RATIFICATION
 QUARRY UNIT AGREEMENT
 LEA COUNTY, NEW MEXICO

The undersigned (whether one or more) hereby acknowledge receipt of a copy of the Unit Agreement for the Development and Operation of the Quarry Unit Area embracing lands situated in Lea County, New Mexico, which said agreement is dated the 1st day of June, 1974, together with a copy of the Unit Operating Agreement in connection therewith, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned, being the owners of leasehold, royalty or interests in the lands or minerals embraced in said unit area as indicated on the schedule attached to said unit agreement as Exhibit "B", do hereby commit all of their said interests to the Quarry Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof and of the unit operating agreement exactly the same as if the undersigned had executed the original of said unit agreement and unit operating agreement or counterparts thereof.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

ATTEST:

 Secretary

G. R. Quintana

 President

ATTEST:

 Secretary

 President

STATE OF _____)
 : ss
 COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of June, 1974 by _____ President of _____, a _____ corporation, on behalf of said corporation.

My Commission Expires: _____

 Notary Public

STATE OF _____)
 : ss
 COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of June, 1974 by _____ President of _____, a _____ corporation, on behalf of said corporation.

My Commission Expires: _____

 Notary Public

STATE OF ~~NEW MEXICO~~)
 : ss
 COUNTY OF ~~SANTA FE~~)

The foregoing instrument was acknowledged before me this _____ day of ~~August~~, 1974 by _____ **G. R. QUINTANA, a single man**

My Commission Expires: _____

C. B. Gonzalez

 Notary Public

~~April 13, 1977~~

CONSENT AND RATIFICATION
QUARRY UNIT AGREEMENT
LEA COUNTY, NEW MEXICO

The undersigned (whether one or more) hereby acknowledge receipt of a copy of the Unit Agreement for the Development and operation of the Quarry Unit Area embracing lands situated in Lea County, New Mexico, said agreement being dated June 1, 1974, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned, being the owners of royalty or other interests in the lands or minerals embraced in said unit area as indicated on the schedule attached to said unit agreement as Exhibit "B", do hereby commit all of their said interests to the Quarry Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof exactly the same as if the undersigned had executed the original of said unit agreement or counterparts thereof.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

Wm F Brainerd
Constance Jean Brainerd

STATE OF New Mexico)
 : ss
COUNTY OF Chaves)

The foregoing instrument was acknowledged before me this 26th day of August 1974 by Wm. F. Brainerd and Constance Jean Brainerd.

My Commission Expires: April 22, 1978
Araron J. Cox
Notary Public

STATE OF _____)
 : ss
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____ 1974 by _____

My Commission Expires: _____
Notary Public

STATE OF _____)
 : ss
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____ 1974 by _____ President of _____, a _____ corporation, on behalf of said corporation.

My Commission Expires: _____
Notary Public

CONSENT AND RATIFICATION
QUARRY UNIT AGREEMENT
LEA COUNTY, NEW MEXICO

The undersigned (whether one or more) hereby acknowledge receipt of a copy of the Unit Agreement for the Development and operation of the Quarry Unit Area embracing lands situated in Lea County, New Mexico, said agreement being dated June 1, 1974, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned, being the owners of royalty or other interests in the lands or minerals embraced in said unit area as indicated on the schedule attached to said unit agreement as Exhibit "B", do hereby commit all of their said interests to the Quarry Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof exactly the same as if the undersigned had executed the original of said unit agreement or counterparts thereof.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

Francis C. Thomas

STATE OF Arizona
COUNTY OF Maricopa :ss

The foregoing instrument was acknowledged before me this 24th day of August 1974 by Francis C. Thomas

My Commission Expires: _____
My Commission Expires Mar. 1, 1973
Galeia Rubmann
Notary Public

STATE OF _____)
COUNTY OF _____) : ss

The foregoing instrument was acknowledged before me this _____ day of _____ 1974 by _____

My Commission Expires: _____
Notary Public

STATE OF _____)
COUNTY OF _____) : ss

The foregoing instrument was acknowledged before me this _____ day of _____ 1974 by _____ President of _____, a _____ corporation, on behalf of said corporation.

My Commission Expires: _____
Notary Public

