

Case 5608

LAW OFFICES

HINKLE, BONDURANT, COX & EATON

TELEPHONE (505) 622-6510

CLARENCE E. HINKLE
W. E. BONDURANT, JR. (1914-1973)
LEWIS C. COX, JR.
PAUL W. EATON, JR.
CONRAD E. COFFIELD
HAROLD L. HENSLEY, JR.
STUART D. SHANOR
C. D. MARTIN
PAUL J. KELLY, JR.

600 HINKLE BUILDING
POST OFFICE BOX 10

MR. ISBELL LICENSED
IN TEXAS ONLY

ROSWELL, NEW MEXICO 88201

MIDLAND, TEXAS OFFICE
521 MIDLAND TOWER
(915) 683-4691

December 12, 1975

JAMES H. BOZARTH
RONALD G. HARRIS
JAMES H. ISBELL
DOUGLAS L. LUNSFORD

New Mexico Oil Conservation
Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

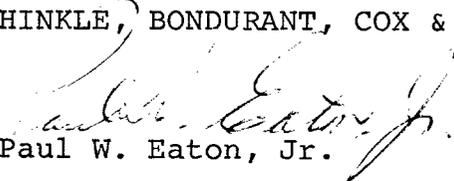
Re: Northern Natural Gas Company

Gentlemen:

We enclose triplicate copies of Application of Northern Natural Gas Company for Approval of its Magruder Hill Unit. We ask that the matter be set for hearing before the Examiner on January 7, 1976.

Yours very truly,

HINKLE, BONDURANT, COX & EATON


Paul W. Eaton, Jr.

PWE/jw
Enclosure

cc: Mr. Kenneth Griffin
501 Petroleum Building
Midland, Texas 79701

DOC 157

Date 12/29/75

GRIFFIN & BURNETT, INC,

Oil Properties

KENNETH H. GRIFFIN
GARY G. BURNETT

501 PETROLEUM BUILDING
MIDLAND, TEXAS 79701
915 683-2705

April 15, 1976

Re: File #3002
McGRUDER HILL UNIT
Eddy County, New Mexico
Case No. 5608
Order No. R-5150

OIL CONSERVATION COMMISSION
State Land Office Building
Santa Fe, New Mexico 87501

Gentlemen:

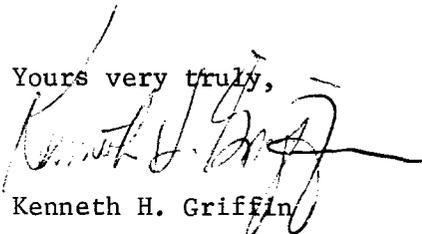
In accordance with Order No. R-5150 we enclose herewith an executed copy of the Unit Agreement for the subject unit. You will note that this instrument includes copies of The Certification-Determination by the U.S.G.S. and The Certificate of Approval by the Commissioner of Public Lands. The ratifications attached reflect that in addition to Northern Natural Gas Company, Operator, the following companies are also subject to this agreement.

Union Oil Company of California
Inexco Oil Company
J.M. Huber Corporation
Robert N. Enfield, et ux

Tom Brown, Inc.
James P. Riggs, et ux
Atlantic Richfield Company
Gulf Oil Corporation

Please let us know if you need any additional information relative to this unit.

Yours very truly,


Kenneth H. Griffin

KHG/js
Enclosures

cc: Mr. C. F. Keller
NORTHERN NATURAL GAS COMPANY
Wall Towers West
Midland, Texas 79701



United States Department of the Interior

GEOLOGICAL SURVEY
P. O. Drawer 1857
Roswell, New Mexico 88201

April 13, 1976

5608

Griffin & Burnett, Inc.
Attention: Mr. Kenneth H. Griffin
501 Petroleum Building
Midland, Texas 79701

Gentlemen:

One approved copy of the McGruder Hill unit agreement, Eddy County, New Mexico, with Northern Natural Gas Company as unit operator, is enclosed. Such agreement has been assigned No. 14-08-0001-14274 and is effective April 13, 1976, the same date as approved.

You are requested to furnish all principals with appropriate evidence of this approval.

Sincerely yours,

(ORIG. SGD.) CARL C. TRAYWICK

CARL C. TRAYWICK
Acting Area Oil & Gas Supervisor

cc:

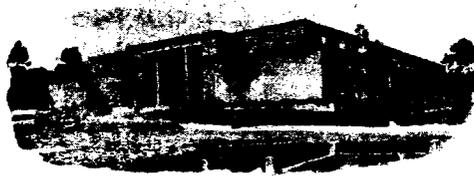
NMOCC, Santa Fe (ltr only) *This copy for*
Com. Pub. Lands, Santa Fe (ltr only)
Area Geologist, Roswell (Ltr only)
Artesia (w/cy appln)

RLindau:dlk

5608

State of New Mexico

TELEPHONE
505-827-2748



PHIL R. LUCERO
COMMISSIONER

Commissioner of Public Lands

P. O. BOX 1148
SANTA FE, NEW MEXICO 87501

June 15, 1976

Northern Natural Gas Company
401 Wall Towers West
Midland, Texas 79701

Re: McGruder Hill Unit
TERMINATION
Eddy County, New Mexico

ATTENTION: Mr. C. F. Keller

Gentlemen:

This letter acknowledges receipt of your letter of June 11, 1976, advising of the termination of the McGruder Hill Unit, Eddy County, New Mexico.

The Commissioner of Public Lands has this date terminated the McGruder Hill Unit. This is subject to like termination by the United States Geological Survey. Please advise when the USGS terminates the agreement so that we may establish the effective date.

Very truly yours,

PHIL R. LUCERO
COMMISSIONER OF PUBLIC LANDS

BY:
RAY D. GRANAN, Director
Oil and Gas Division

PHL/EDG/s
cc:

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

GRIFFIN & BURNETT, INC.

Oil Properties

KENNETH H. GRIFFIN
GARY G. BURNETT

501 PETROLEUM BUILDING
MIDLAND, TEXAS 79701
915 683.2705

June 24, 1976

Re: File No. 3002
McGRUDER HILL UNIT
Eddy County, New Mexico

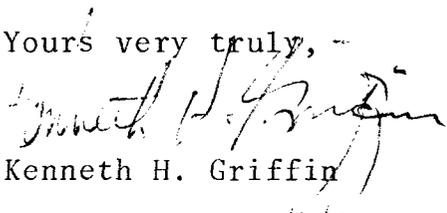
NEW MEXICO OIL CONSERVATION COMMISSION
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. Joe D. Ramey
Secretary Director

Gentlemen:

Please find a copy of the letter from the U. S. G. S.
dated June 18, 1976 terminating the captioned unit
effective June 18, 1976.

Yours very truly, -


Kenneth H. Griffin

KHG/gp
Enclosure

cc: Northern Natural Gas Company
403 Wall Towers West
Midland, Texas 79701
Attention: Mr. C. F. Keller



United States Department of the Interior

GEOLOGICAL SURVEY
Drawer 1857
Roswell, New Mexico 88201

JUN 23 1976
MAIL ROOM

June 18, 1976

Northern Natural Gas Company
Attention: Mr. C. F. Keller
401 Wall Towers West
Midland, Texas 79701

Gentlemen:

Termination of the McGruder Hill unit agreement, Eddy County, New Mexico, pursuant to section 20 (d) thereof, was approved effective as of June 18, 1976, the same date as approved.

Copies of the termination are being distributed to the Federal offices concerned and one copy is returned herewith. It is requested that you furnish notice of this approval to each party in interest.

Sincerely yours,

J. A. GILLHAM
Acting Area Oil and Gas Supervisor





United States Department of the Interior

GEOLOGICAL SURVEY

Drawer 1857
Roswell, New Mexico 88201

June 18, 1976

Northern Natural Gas Company
Attention: Mr. C. F. Keller
401 Wall Towers West
Midland, Texas 79701

Gentlemen:

Termination of the McGruder Hill unit agreement, Eddy County, New Mexico, pursuant to section 20 (d) thereof, was approved effective as of June 18, 1976, the same date as approved.

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Sincerely yours,

(ORIG. SGD.) J. A. GILLHAM

J. A. GILLHAM
Acting Area Oil and Gas Supervisor

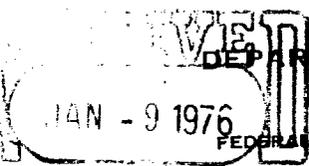
cc: BLM, Santa Fe (w/cy appln)
Artesia (w/cy appln)
NMOCC, Santa Fe (ltr. only)
Com. of Pub. Lands (ltr. only)
Area Geologist (ltr. only)
Accounts (ltr. only)

NOTE TO BLM: All committed Federal leases within the McGruder Hill unit area should be considered for 2-year extensions pursuant to 43 CFR 3107.5, as applicable.

RDLindau:dap

NMOCC Santa Fe, NM

IN REPLY REFER TO:



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225

1608

CONSERVATION COMM.
Santa Fe

JAN 07 1976

Mr. Kenneth M. Griffin, Inc.
Griffin & Barnett
501 Petroleum Building
Midland, Texas 79701

Dear Mr. Griffin

Your application filed on behalf of Northern Natural Gas Company with the Oil and Gas Supervisor, Roswell, New Mexico, requests the designation of the McGruder Hill unit area embracing 2,257.94 acres, more or less, Eddy County, New Mexico, as logically subject to exploration and development under the unitization provisions of the Mineral Leasing Act as amended.

Pursuant to unit plan regulations 30 CFR 226, the land requested as outlined on your plat marked "McGruder Hill unit Eddy 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 test the Morrow formation of Pennsylvanian age or to a depth of 11,400 feet. Your proposed use of the Form of Agreement for Unproved Areas will be accepted with the modifications requested in your application provided it is further modified as follows:

1. Add the words "as amended" after (30 F.R. 12319) in Section 26, Nondiscrimination.

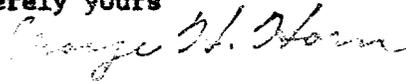
If conditions are such that further modification of said standard form is deemed necessary, three copies of the proposed modifications with appropriate justification must be submitted to this office through the Oil and Gas Supervisor for preliminary approval.

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

When the executed agreement is transmitted to the Supervisor for approval include the latest status of all acreage. In preparation of Exhibits "A" and "B", follow closely the format of the sample exhibits attached to the 1968 reprint of the aforementioned form.

Inasmuch as this unit agreement involves State land, we are sending a copy of the letter to The Commissioner of Public Lands in Santa Fe. Please contact the State of New Mexico before soliciting joinders regardless of prior contacts or clearances from the State.

Sincerely yours



Regional Conservation Manager
For the Director

cc: CD Reading File
Area Office (2)
File
Com. Public Lands, Santa Fe
NMOCC, Santa Fe

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 Area Oil and Gas Supervisors of the Geological Survey, I do hereby:

A. Approve the attached agreement for the development and operation of the McGruder Hill 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 April 13, 1976.

Acting *C. M. C. T. M. K. A. C. I.*
Area Oil and Gas Supervisor
United States Geological Survey

Contract Number 14-08-0001-14274



NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

McGRUDER HILL UNIT

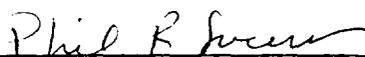
EDDY COUNTY, NEW MEXICO

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 January 5, 1976, 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 12th. day of April, 19 76.



COMMISSIONER OF PUBLIC LANDS
of the State of New Mexico