



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Roswell District Office

P. O. Box 1397

Roswell, New Mexico 88201

IN REPLY
REFER TO:

3180(060)

June 5, 1985

Eastland Oil Company
Attention: George Neal
P.O. Drawer 3488
Midland, TX 79702

Re: Designation of Proposed Power Grayburg Secondary
Recovery Unit, Eddy, County, New Mexico

Gentlemen:

Your application of May 28, 1985, filed with the Bureau of Land Management, Roswell, New Mexico, requests the designation of the Power Grayburg Unit Area, embracing 427.44 acres, more or less, Eddy County, New Mexico, as logically subject to operation under the unitization provisions of the Minerals Leasing Act as amended.

Pursuant to unit plan regulations 43 CFR 3180, the land requested as outlined on your plat marked "Exhibit "A", Power Grayburg-San Andres Pool, Eddy County, New Mexico" is hereby designated as a logical unit area to more properly conserve natural resources by instituting secondary recovery operations.

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

In the absence of any other type of land requiring special provisions or any objections not now apparent, a duly executed agreement identical with said form 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 agreements submitted which, in our opinion, do 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 District Manager, Roswell, New Mexico 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 standard unit agreement form.

Sincerely yours,

Francis R. Cherry, Jr.
District Manager

APPLICATION FOR DESIGNATION OF THE
POWER GRAYBURG UNIT AREA
EDDY COUNTY, NEW MEXICO

District Manager
BUREAU OF LAND MANAGEMENT
P. O. Box 1397
Roswell, New Mexico 88201

Gentlemen:

THE EASTLAND OIL COMPANY, P.O. Drawer 3488, Midland, Texas 79702, respectfully requests your consideration and approval of this application for Designation of the Power Grayburg Unit Area, Eddy County, New Mexico, as an area logically subject to development by secondary recovery under a unit plan of operation. The following information is offered in support of the Application:

1. The area sought to be designated as the Power Grayburg Unit Area comprises 427.44 acres in Eddy County, New Mexico, as outlined on the land map attached hereto and marked Exhibit "A". More particularly, the proposed unit area is described as follows:

T.18S., R.30E., NMPM
 Sec.1: Lots 1, 2, S/2NE/4
T.18S., R.31E., NMPM
 Sec.5: Lots 3, 4
 Sec.6: Lots 1 thru 5

The proposed unit is comprised of four Federal producing leases. No other type of land is involved.

2. Attached Exhibit "A" is a plat indicating the proposed unit area, Federal lease serial numbers, ownership and subdivision acreages.

3. Exhibit "B" is a list of the effected leases, indicating a description of all the lands within the unit area, Federal serial numbers, and ownership of the various tracts.

4. Applicant proposes to use a form of Unit Agreement that has been previously approved by your office for secondary recovery operations. The attached form is a modification of a sample which was handed out by Mr. Armando Lopez at a Unit Seminar conducted at Roswell on April 11, 1985. Section 3 has been modified to describe the vertical limits of the unitized formations to be from the top of the Grayburg lime to a depth of 450 feet below the Grayburg lime marker. This top occurs

at 3252' (+442' subsea) in The Eastland Oil Company No.1 Arco Federal well, located 660' from the north line and 810' from the west line of Section 5, T.18S., R.31E., Eddy County, New Mexico.

5. A geologic report and supporting maps have been previously filed with your office. It is requested that the geologic report be kept confidential.

6. Exhibit "C" is a schedule of Tract Participation indicating the percent of production to be credited to each tract. The allocation formula provides for tract participation based on a 90% cumulative production to January 1, 1985 factor plus a 10% acreage factor.

7. A recent meeting of the owners of working interests indicates that 100% commitment is expected. It is the opinion of The Eastland Oil Company, unit operator, that controlled waterflooding under unit operations is in the public interest by increasing the ultimate recovery and will protect the correlative rights of all parties.

THE EASTLAND OIL COMPANY respectfully requests designation of the Powers Grayburg Unit Area and tentative concurrence of the form and language of the attached unit agreement. Your favorable consideration and early approval is appreciated.

Respectfully submitted,
THE EASTLAND OIL COMPANY

Date: 5/28/85

By George D. Neal

R-30-E

Amoco

Cal - Mon, etal

R-31-E

H.E. Yates

No. Nat. Gas

State

Eastland 2 1

Read & Stevens
Etal

(40.12) (40.04)

L

(4)

(80.00)

LC 047633(b)

Eastland 4 3 2

Canadian Kenwood
Etal

(33.63) (39.99)

(3)

(33.75)

LC 029389(e)

Kenwood - Fed

Eastland 1 4

Allied Corp.
Etal

(39.98) (39.97)

(2)

NM 0334702

State

Eastland 3 4

Atlantic Richfield
Etal

(39.97) (39.99)

(1b)

NM 0299468

T 18 S

1

5

6

Pogo Prod.

Allied - Fed

Apco

Arco - Fed

5

Sibyl - Fed

Belnorth, etal

U.S.

Belnorth, etal

POWER GRAYBURG-SAN ANDRES POOL

Eddy County, New Mexico

EASTLAND OIL COMPANY

OWNERSHIP MAP

(3) Tract No.

() Acres

Scale in Feet 2330

N

EXHIBIT "A"

U.S.

Amoco

EXHIBIT "B"

SCHEDULE SHOWING ALL LAND AND LEASES WITHIN THE POWER GRAYBURG UNIT AREA EDDY COUNTY, NEW MEXICO

TRACT NO.	DESCRIPTION OF LAND	NUMBER OF ACRES	SERIAL NO. EXP. DATE	BASIC ROYALTY	LESSEE OF RECORD AND PERCENTAGE	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST AND PERCENTAGE
<u>T.18S., R.31E.</u>							
<u>ALL FEDERAL LANDS</u>							
1a	Sec. 5: Lot 3	39.99	NM 0299468 HBP	U.S. 12.5%	Atlantic Richfield Company 100%	Atlantic Richfield Company 6.25% John F. Partridge, Jr. 1.50% Associated Royalty Co. 1.50%	The Eastland Oil Company Alps Oil Company G.H. Doelling, Jr. George A. Donnelly, Jr. Richard Donnelly Mary L. Holbrook Marshall & Winston, Inc. William S. Marshall Peggy Donnelly McConnell Jack L. Russell
							18.750 12.500 12.500 12.500 6.250 6.250 3.125 3.125 12.500 12.500
1b	Sec. 5: Lot 4	39.97	NM 0299468 HBP	U.S. 12.5%	Atlantic Richfield Company 100%	Atlantic Richfield Company 6.25% John F. Partridge, Jr. 1.50% Associated Royalty Co. 1.50%	The Eastland Oil Company Alps Oil Company George A. Donnelly, Jr. Richard Donnelly Mary L. Holbrook Peggy Donnelly McConnell Jack L. Russell
							23.863630 15.909090 15.909090 7.954550 7.954550 15.909090 15.500000

EXHIBIT "B".

TRACT NO.	DESCRIPTION OF LAND	NUMBER OF ACRES	SERIAL NO. EXP. DATE	BASIC ROYALTY	LESSEE OF RECORD AND PERCENTAGE	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST AND PERCENTAGE
<u>T.18S., R.31E.</u>							
2	Sec. 6: Lots 1, 2	79.95	NM 0334702 HBP	U.S. 12.5%	Allied Corporation 100%	Allied Corporation 7.5% Pearson-Sibert Oil Co. 1.3333% A.F. Gilmore Company 1.3333% E.B. Hall and Rosemary Hall Bergen 1.3333% Robert D. Fitting 1.0000%	The Eastland Oil Company Alps Oil Company G.H. Doelling, Jr. George A. Donnelly, Jr. Richard Donnelly Mary L. Holbrook Marshall & Winston, Inc. William S. Marshall Peggy Donnelly McConnell Jack L. Russell
							18.750 12.500 12.500 12.500 6.250 6.250 3.125 3.125 12.500 12.500
3	Sec. 6: Lots 3, 4, 5	107.37	LC 029389(e)	U.S. Schedule D	Canadian Kenwood Company 93.25% T.R. Parker 6.75%	Canadian Kenwood Company 11.656250% T.R. Parker and Florence Parker 0.843750%	The Eastland Oil Company Alps Oil Company G.H. Doelling, Jr. George A. Donnelly, Jr. Richard Donnelly Mary L. Holbrook Marshall & Winston, Inc. William S. Marshall Peggy Donnelly McConnell Jack L. Russell
							18.750 12.500 12.500 12.500 6.250 6.250 3.125 3.125 12.500 12.500

EXHIBIT "B"

TRACT NO.	DESCRIPTION OF LAND	NUMBER OF ACRES	SERIAL NO. EXP. DATE	BASIC ROYALTY	LESSEE OF RECORD AND PERCENTAGE	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST AND PERCENTAGE
T.18S., R.30E.							
4	Sec. 1: Lots 1, 2 S/2NE/4	160.16	LC 047633 (b) HBP	U.S. Schedule D	Read & Stevens, Inc. 100%	Sibyl Vivian Perry and Richard L. Perry 6.25%	Read & Stevens, Inc. 0.000000 The Eastland Oil Company 18.750000 Alps Oil Company 12.500000 G.H. Doelling, Jr. 12.500000 George A. Donnelly, Jr. 12.500000 George A. Donnelly, Jr. Trustee of the Trust for George A. Donnelly, III 4.166666 George A. Donnelly, Jr. Trustee of the Trust for Marion Jan O'Neill 4.166666 George A. Donnelly, Jr. Trustee of the Trust for Robert R. Donnelly 4.166666 Richard Donnelly 6.250000 Mary L. Holbrook 6.250000 Marshall & Winston, Inc. 3.125000 William S. Marshall 3.125000 Jack L. Russell 12.500000

RECAPITULATION: 5 Tracts 4 Federal Leases 427.44 Acres 100% Federal

EXHIBIT "C"

SCHEDULE OF TRACT PARTICIPATION THE EASTLAND OIL COMPANY POWER GRAYBURG UNIT EDDY COUNTY, NEW MEXICO

TRACT NO.	TRACT ACRES	ACRES %	TRACT CUM. OIL	PERCENT CUMULATIVE	10% ACRES	90% CUM.	TRACT PART. %
1a	39.99	9.355699	0	0.000000	0.935570	0.000000	0.935570
1b	39.97	9.351020	88034	19.694495	0.935102	17.725046	18.660148
2	79.95	18.704380	108805	24.341272	1.870438	21.907145	23.777583
3	107.37	25.119315	228575	51.135576	2.511931	46.022018	48.533949
4	160.16	37.469586	21584	4.828657	3.746959	4.345791	8.092750
	472.44	100.000000	446998	100.000000	10.000000	90.000000	100.000000

TRACT PARTICIPATION: 90% Cumulative to 1-1-85 + 10% Acreage

Amoco

Cal - Mon, et al

H.E. Yates

No. Nat. Gas

State

U.S.

State

Eastland

Eastland

Eastland

6

Eastland

8,466 O
31,684 G
25,820 W

85,814 O
198,712 G
40,289 W

77,590 O
163,050 G
32,567 W

46,239 O
73,871 G
13,073 W

62,566 O
122,250 G
18,277 W

21,926 O
18,372 G
21,899 W

66,108 O
150,638 G
104,756 W

1,372 O
1,169 G
2,480 W

11,746 O
42,915 G
19,983 W

65,171 O
94,852 G
42,556 W

Kenwood - Fed

Allied - Fed

Arco - Fed

Pogo Prod.

Apco
HBP

Sibyl - Fed

Belnorth, et al

U.S.

Belnorth, et al

POWER GRAYBURG-SAN ANDRES POOL
Eddy County, New Mexico
EASTLAND OIL COMPANY
CUMULATIVE PRODUCTION TO 1-1-85

0
Scale in Feet
2330

U.S.

Amoco