

#3255

PATRICK H. LYONS
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL
P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

www.nmstatelands.org

January 10, 2003

Seely Oil Company
815 West 10th Street
Fort Worth, Texas 76102

Attention: Mr. David L. Henderson

Re: Amendment to Unit Agreement
EK Queen Unit
Lea County, New Mexico

Dear Mr. Henderson:

We have received an amendment to the EK Queen Sand Unit Agreement dated August 12, 2002, which eliminates the Penrose Sand from the definition of "Unitized Formation".

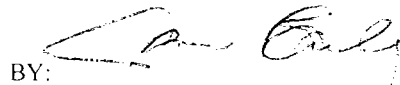
It is our understanding that your company has obtained ratifications by the majority of working interest owners approving this amendment.

The Commissioner of Public Lands hereby approves the amendment of the Penrose Sand Unit effective August 12, 2002. Our approval is subject to like approval by the New Mexico Oil Conservation Division and the Bureau of Land Management.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

PATRICK H. LYONS
COMMISSIONER OF PUBLIC LANDS



BY:
JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744

PL:JB/pm

pc: Reader File
OCD-Attention: David Catanach
BLM-Roswell. Attn: Mr. Armando Lopez
Losee, Carson, Haas & Carroll, P.A. Attn: Mr. James E. Haas

AMENDMENT TO
UNIT AGREEMENT
FOR THE DEVELOPMENT AND OPERATION OF THE
EK QUEEN UNIT
LEA COUNTY, NEW MEXICO

THIS AGREEMENT, entered into as of the 12th day of August, 2002, by and between the parties subscribing, ratifying or consenting hereto, and herein referred to as "parties hereto;"

WITNESSETH:

WHEREAS, the parties hereto are the owners of working, royalty or other oil and gas interests in the Unit Area subject to this agreement; and

WHEREAS, the Mineral Leasing Act of February 25, 1920, 41 Stat. 437, as amended, 30 U.S.C. Secs. 181 et seq., authorizes Federal lessees and their representatives to unite with each other, or jointly or separately with others, in collectively adopting and operating a cooperative or unit plan of development or operation of any oil or gas pool, field or like area, or any part thereof for the purpose of more properly conserving the natural resources thereof whenever determined and certified by the Secretary of the Interior to be necessary or advisable in the public interest; and

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by law (Sec. 3, Chap. 88, Laws 1943) as amended by Dec. 1 of Chapter 162, Laws of 1951 (Chap. 19, Art. 10, Sec. 45 N.M.S.A. 1978), to consent to and approve the development or operation of State lands under agreements made by lessees of State land jointly or severally with other lessees where such agreements provide for the unit operation or development of part of or all of any oil or gas pool, field or area; and

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by an Act of the Legislature (Sec. 1, Chap. 162, Laws of 1951; Chap. 19, Art. 10, Sec. 47, N.M.S.A. 1978) to amend with the approval of lessee, evidenced by the lessee's execution of such agreement or otherwise, any oil and gas lease embracing State lands within the area included in such agreement so that the length of the term of said lease as far as the lands within such area may coincide with the term of such agreements for the unit operation and development of part or all of any oil or gas pool, field or area; and

WHEREAS, the Oil Conservation Division of the Energy and Minerals Department of the State of New Mexico is authorized by law (Chap. 72, Laws 1935, as amended, being Sec. 70-20-1 et seq. N.M.S.A. 1978) to approve this agreement, any amendments thereto and the conservation provision hereof; and

WHEREAS, the parties hereto hold sufficient interests in the EK Queen Unit Area, comprised of the lands described in the Unit Agreement, to give reasonably effective control of operations therein; and

WHEREAS, it is the purpose of the parties hereto to enable institution and consummation of secondary and/or enhanced oil recovery operations, conserve natural resources, prevent waste and secure the other benefits obtainable through development and operation of the area subject to this agreement under the terms, conditions and limitations herein set forth.

WHEREAS, pursuant to Order of the Division dated July 24, 2002, the parties hereto did obtain Amendment Order No. R-2913-A of the Oil Conservation Division in Case No. 12891, thereby allowing the amendment of the EK Queen Unit Agreement as hereinafter set out.

NOW, THEREFORE, in consideration of the premises and the promises herein contained, the parties hereto commit to this amended unit agreement their respective interests in the United Formation underlying

the Unit Area, and hereby agree severally among themselves that the Unit Agreement will be amended as follows:

SECTION 2.7. DEFINITIONS

(d) The "Queen Sand or Queen Formation" is defined as and shall mean those heretofore established underground reservoirs that exist in the interval from the top of the Queen Sand or Artesia Red Sand member as is picked at 4,352 feet on the Gamma Ray-Neutron Log in the Carper Drilling Company's Carper-Sivley Well No. 9 (API No. 30-045-01634), now designated the E-K Queen Unit Well No. 19, located 1980 feet from the South line and 1650 feet from the East line (Unit J) of Section 24, Township 18 South, Range 33 East, N.M.P.M., Lea County, New Mexico, 200 feet downward. All depths are included in the Queen formation of the Guadalupian Series, a part of the Permian System, insofar as the same lies within the Unit Area.

The undersigned does hereby ratify and confirm the Unit Agreement as amended in all things. This Amendment to Unit Agreement has been consented to and ratified by all working interest owners thereunder.

IN WITNESS WHEREOF, the undersigned has executed this agreement on the date evidenced by the certificate of acknowledgment hereof.

UNIT OPERATOR AND WORKING INTEREST OWNER

SEELY OIL COMPANY

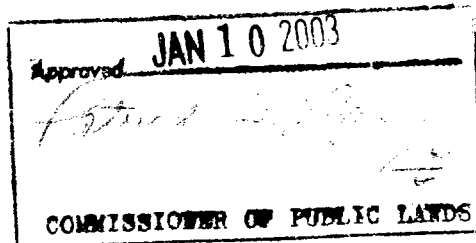
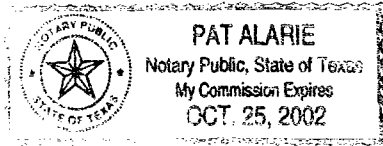
By: David L. Henderson
Its: Vice President

STATE OF TEXAS)
 : ss.
COUNTY OF TARRANT)

This instrument was acknowledged before me on August 12, 2002, by David L. Henderson, Vice President of SEELY OIL COMPANY, a Texas corporation, on behalf of said corporation.

My commission expires:
October 25, 2002

Pat Alarie
Notary Public - State of TEXAS



COMMISSIONER'S OFFICE

Phone (505) 827-5760
Fax (505) 827-5766

ADMINISTRATION

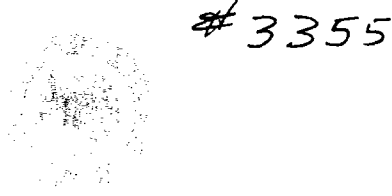
Phone (505) 827-5700
Fax (505) 827-5853

GENERAL COUNSEL

Phone (505) 827-5713
Fax (505) 827-4262

PUBLIC AFFAIRS

Phone (505) 827-1245
Fax (505) 827-5766



COMMERCIAL RESOURCES

Phone (505) 827-5724
Fax (505) 827-6157

MINERAL RESOURCES

Phone (505) 827-5744
Fax (505) 827-4739

ROYALTY MANAGEMENT

Phone (505) 827-5772
Fax (505) 827-4739

SURFACE RESOURCES

Phone (505) 827-5793
Fax (505) 827-5711

**New Mexico State Land Office
Commissioner of Public Lands
Ray Powell, M.S., D.V.M.**

March 18, 2002

Walsh and Watts, Inc.
1111 7th Street
Wichita Falls, Texas 76301

Attn: Mr. Alfred B. Guinn

Re: 2002 Plan of Development
North Square Lake Premier Unit
Eddy County, New Mexico

Dear Mr. Guinn:

The Commissioner of Public Lands has, of this date, approved the above-captioned Plan of Development. Our approval is subject to like approval by all other appropriate agencies.

The possibility of drainage by wells outside of the unit area and the need for further development of the unit may exist. You may be contacted at a later date regarding these possibilities.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS

BY: JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744

RP/JB/cpm
xc: Reader File

OCD

BLM



COMMERCIAL RESOURCES
(505)-827-5724

SURFACE RESOURCES
(505)-827-5793

MINERAL RESOURCES
(505)-827-5744

ROYALTY
(505)-827-5772

State of New Mexico
Commissioner of Public Lands

Ray Powell, M.S., D.V.M.
310 Old Santa Fe Trail, P. O. Box 1148
Santa Fe, New Mexico 87504-1148
Phone (505)-827-5760, Fax (505)-827-5766

PUBLIC AFFAIRS
(505)-827-5765

ADMINISTRATIVE MGMT.
(505)-827-5700

LEGAL
(505)-827-5713

PLANNING
(505)-827-5752

November 10, 1997

Seely Oil Company
815 West 10th Street
Ft. Worth, Texas 76102

Attn: Mr. C. W. Seely

Re: Resignation/Designation of Successor Unit Operator
E-K Queen Unit
Lea County, New Mexico

Dear Mr. Seely:

We are in receipt of your resignation/designation of successor unit operator, wherein Santa Fe Exploration Company has resigned as unit operator of the E-K Queen Unit and designated Seely Oil Company as the successor unit operator.

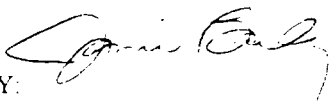
The Commissioner of Public Lands has this date approved the resignation of Santa Fe Exploration company and the designation of Seely Oil Company as the successor unit operator of this unit.

This change in operators is effective August 1, 1997. In accordance with this approval, Seely Oil Company is now responsible for all operations and the reporting of all production from the unit.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS



BY:
JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744

RP/JB/cpm

xc: Reader File

OCD-Roy Johnson

TRD

BLM

Santa Fe Exploration Company



SANTA FE

EXPLORATION COMPANY

RECEIVED

FEB 22 11 51 AM '94

BUR. OF LAND MGMT
ROSWELL DISTRICT

3255

NMOC

(505) 623-2733
P. O. Box 1136
ROSWELL, NEW MEXICO 88202

February 20, 1994

United States Department of the Interior
Bureau of Land Management
Roswell District Office
1717 West Second Street
Roswell, New Mexico 88201

Re: In reply to: 14-08-0001-8731
3180 (065)
1994 Plan of Operations
E. K. Queen Unit
Lea County, New Mexico

Gentlemen:

As the unit operator of the referenced unit, Santa Fe Exploration Company submits for your approval this Plan of Development and Operations as required under Section 10 of the Unit Agreement. This plan covers the time period from January 1, 1994 through December 31, 1994. Included in this report is a current unit map indicating the location of the three producing wells, the three water injection wells and the three plugged and abandoned wells. Also included are historical production data and a decline curve.

Santa Fe Exploration Company assumed control and operatorship of the E. K. Queen Unit on July 1, 1985. Although the E. K. Queen is in the mature stages of waterflood, we believe there may exist additional reserves within the unitized formation. However, current and past economic conditions have made further pursuit of these reserves infeasible at this time.

There were no new wells drilled, recompleted or converted during 1993 and none are planned at this time for 1994. We will continue to attempt to stabilize production with remedial workovers as such are deemed necessary. Further, we will continue to monitor the deep wells operated by Floyd Oil Company in which we have a working interest. Some of these wells showed good promise while drilling through the Queen formation and may become good candidates for recompletion up-hole at a later date.

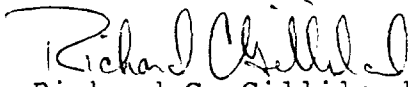
February 20, 1994

There are no changes planned for the basic operations of this unit until opportunities and economic conditions exist which will merit further development. We will continue with geologic and engineering studies begun in 1993 in order to better evaluate development potential of additional reserves.

If any further information is required as to the operations of this unit, please contact me at (505) 623-2733.

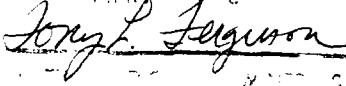
Sincerely,

SANTA FE EXPLORATION COMPANY


Richard C. Gilliland
Petroleum Engineer

/rcg
Attach.

APPROVED

MAR 3 1994

T. L. FERGUSON
SANTA FE EXPLORATION COMPANY



JIM BACA
COMMISSIONER

State of New Mexico
OFFICE OF THE
Commissioner of Public Lands
Santa Fe

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

April 23, 1993

PSA Producers
P.O. Box 755
250 Cope Place
Hobbs, New Mexico 88240

Attn: Mr. Joe Pruitt

Re: Resignation of Successor Unit Operator
East E-K Queen Unit
Lea County, New Mexico

Dear Mr. Pruitt:

The New Mexico Oil Conservation Division has advised this office that PSA Producers has been designated as the successor unit operator of the East E-K Queen Unit Area, Lea County, New Mexico.

Our records reflect that Conoco, Inc. is still the operator of record for this unit. Pursuant to the terms of the East E-K Queen Unit Agreement, any change in unit operators must also be approved by the Commissioner of Public Lands.

In view of the above, please submit a resignation/designation of successor unit operator to this office for approval. If the change of operator has not been filed with and approved by this office, you are operating the East E-K Queen Unit without authority.

Also, enclosed is an Instruction Sheet for filing a Surface Improvement Damage Bond. Our records reflect that PSA Producers does not have a \$20,000 Multiple Surface Improvement Damage Bond on file. This change of unit operators will not be approved until the required bond has been filed with this office.

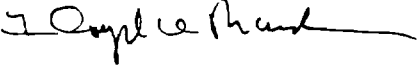
PSA Producers
April 23, 1993
Page 2

Please submit the appropriate documents for designation of successor operator of the East E-K Unit within thirty (30) days from receipt of this letter. Failure to timely submit the requested documents may jeopardize the state leases committed to this unit agreement.

If you have any questions, or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

BY: 
FLOYD O. PRANDO, Director
Oil/Gas and Minerals Division
(505) 827-5744
JB/FOP/pm
encls.
cc: Reader File
Conoco, Inc.



JIM BACA
COMMISSIONER

State of New Mexico
OFFICE OF THE
Commissioner of Public Lands
Santa Fe

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

APR 26 1993

CONSERVATION DIVISION

April 23, 1993

PSA Producers
P.O. Box 755
250 Cope Place
Hobbs, New Mexico 88240

Attn: Mr. Joe Pruitt

Re: Resignation of Successor Unit Operator
East E-K Queen Unit
Lea County, New Mexico

Dear Mr. Pruitt:

The New Mexico Oil Conservation Division has advised this office that PSA Producers has been designated as the successor unit operator of the East E-K Queen Unit Area, Lea County, New Mexico.

Our records reflect that Conoco, Inc. is still the operator of record for this unit. Pursuant to the terms of the East E-K Queen Unit Agreement, any change in unit operators must also be approved by the Commissioner of Public Lands.

In view of the above, please submit a resignation/designation of successor unit operator to this office for approval. If the change of operator has not been filed with and approved by this office, you are operating the East E-K Queen Unit without authority.

Also, enclosed is an Instruction Sheet for filing a Surface Improvement Damage Bond. Our records reflect that PSA Producers does not have a \$20,000 Multiple Surface Improvement Damage Bond on file. This change of unit operators will not be approved until the required bond has been filed with this office.

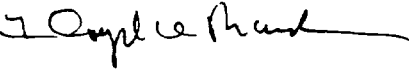
PSA Producers
April 23, 1993
Page 2

Please submit the appropriate documents for designation of successor operator of the East E-K Unit within thirty (30) days from receipt of this letter. Failure to timely submit the requested documents may jeopardize the state leases committed to this unit agreement.

If you have any questions, or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

BY: 
FLOYD O. PRANDO, Director
Oil/Gas and Minerals Division
(505) 827-5744
JB/FOP/pm
encls.
cc: Reader File
Conoco, Inc.

State of New Mexico

#3255



W.R. HUMPHRIES
COMMISSIONER

Commissioner of Public Lands

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

October 5, 1990

Santa Fe Exploration Company
P.O. Box 1136
Roswell, NM 88202

Attn: Richard C. Gilliland

Re: E. K. Queen Unit
Lea County, New Mexico
1990 Plan of Development

Dear Mr. Gilliland:

The Commissioner of Public Lands this date approved the 1990 Plan of Development for the E. K. Queen Unit. Our approval is subject to like approval by all other appropriate agencies. Please forward to this office current copies of both Exhibits A & B.

The possibility of drainage by wells outside of the Unit Area and the need for further development may exist. You will be contacted at a later date regarding these possibilities.

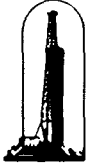
If we may be of further help, please do not hesitate to contact Clyde Langdale at (505) 827-5791.

Sincerely,

W. R. HUMPHRIES

BY: 
Floyd O. Prando, Director
Oil, Gas & Minerals Division

cc: OCD
Unit Corresp.
Unit POD



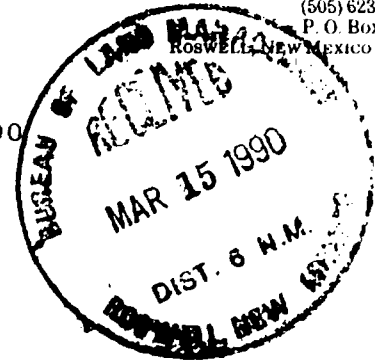
SANTA FE
EXPLORATION COMPANY

1-1-89

(505) 623-2733
P. O. Box 1136
Roswell, New Mexico 88202

February 23, 1990

United States Department of the Interior
Bureau of Land Management
Roswell District Office
P. O. Box 1397
Roswell, New Mexico 88202-1397



Attention: Joe G. Lara
Assistant District Manager, Minerals

Re: In reply to 3180 (065)
1990 Plan of Operations
E. K. Queen Unit
Lea County, New Mexico

Gentlemen:

As the unit operator of the above captioned unit, Santa Fe Exploration Company submits for your approval this Plan of Development and Operations as required under section 10 of the Unit Agreement. This plan covers the time period from January 1, 1990 to December 31, 1990. Included in this report is a current unit map indicating the location of the three producing wells, the twelve water injection wells and the three plugged and abandoned wells. Also included are copies of the decline curves and production data for 1988 and 1989.

Santa Fe Exploration Company assumed control and operatorship of the E. K. Queen Unit on July 1, 1985. Even though the E. K. Queen is in the mature stages waterflood, we believe there exists additional reserves within the unitized formation. However, past economic conditions have made further pursuit of these reserves infeasible at this time.

There were no wells drilled, recompleted or converted to injectors during 1989 and none are planned at this time for 1990. We will continue to attempt to stabilize production with remedial workovers as such are deemed necessary. Further, we will continue to monitor the deep wells drilled and operated by Oryx in which we have a working interest. Some of these wells showed good promise while drilling through the Queen and may become good candidates for recompletion up-hole at a later date.

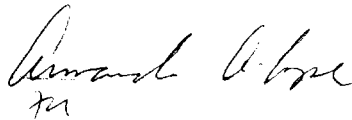
There are no changes planned for the basic operations of the unit until opportunities and economic conditions exist which will permit further development. If any further information is required as to the operation of this unit, please contact me at the above Roswell, New Mexico number.

Sincerely,

SANTA FE EXPLORATION COMPANY



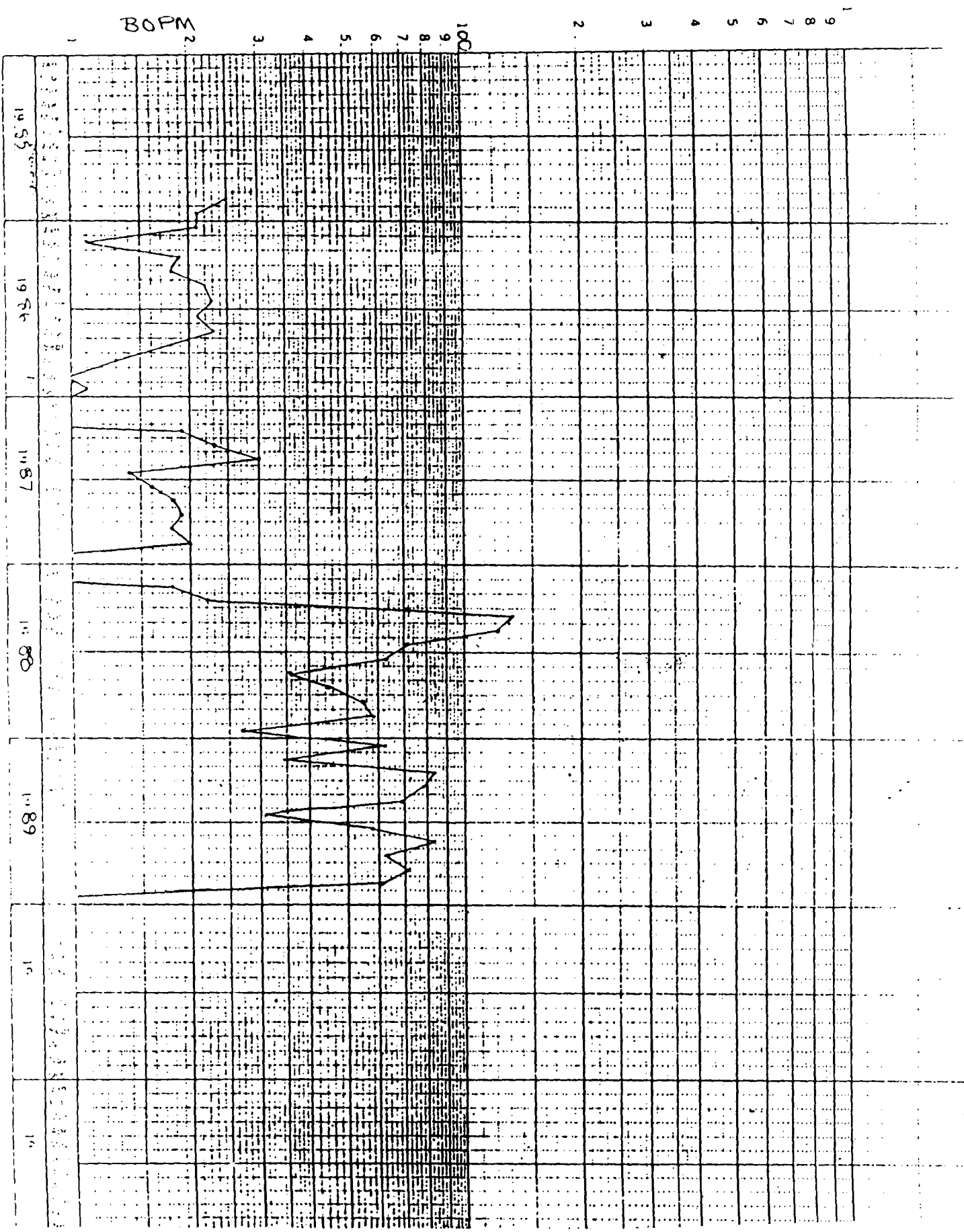
Richard C. Gilliland
Petroleum Engineer



721

1-9

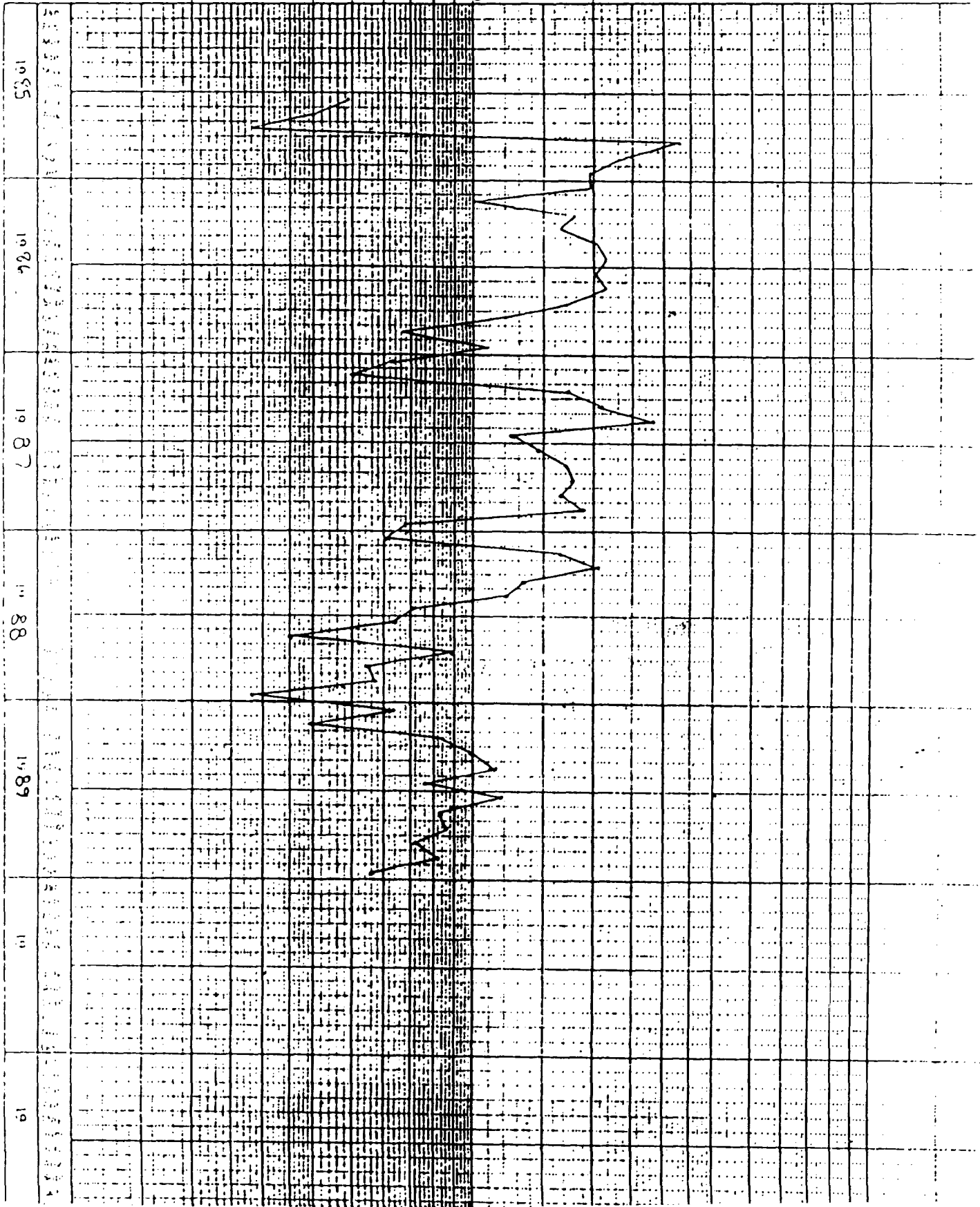
BOPM



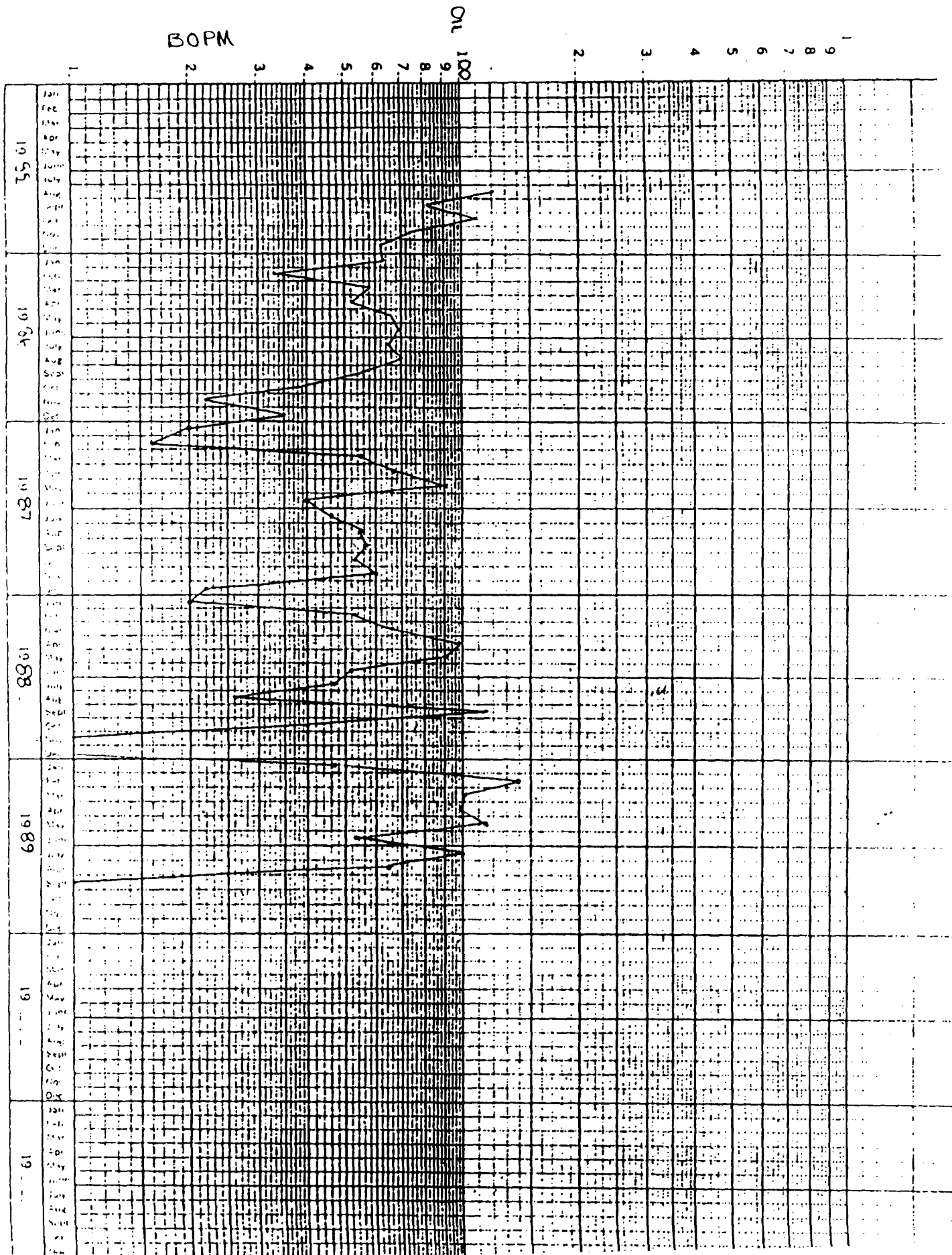
#2-1

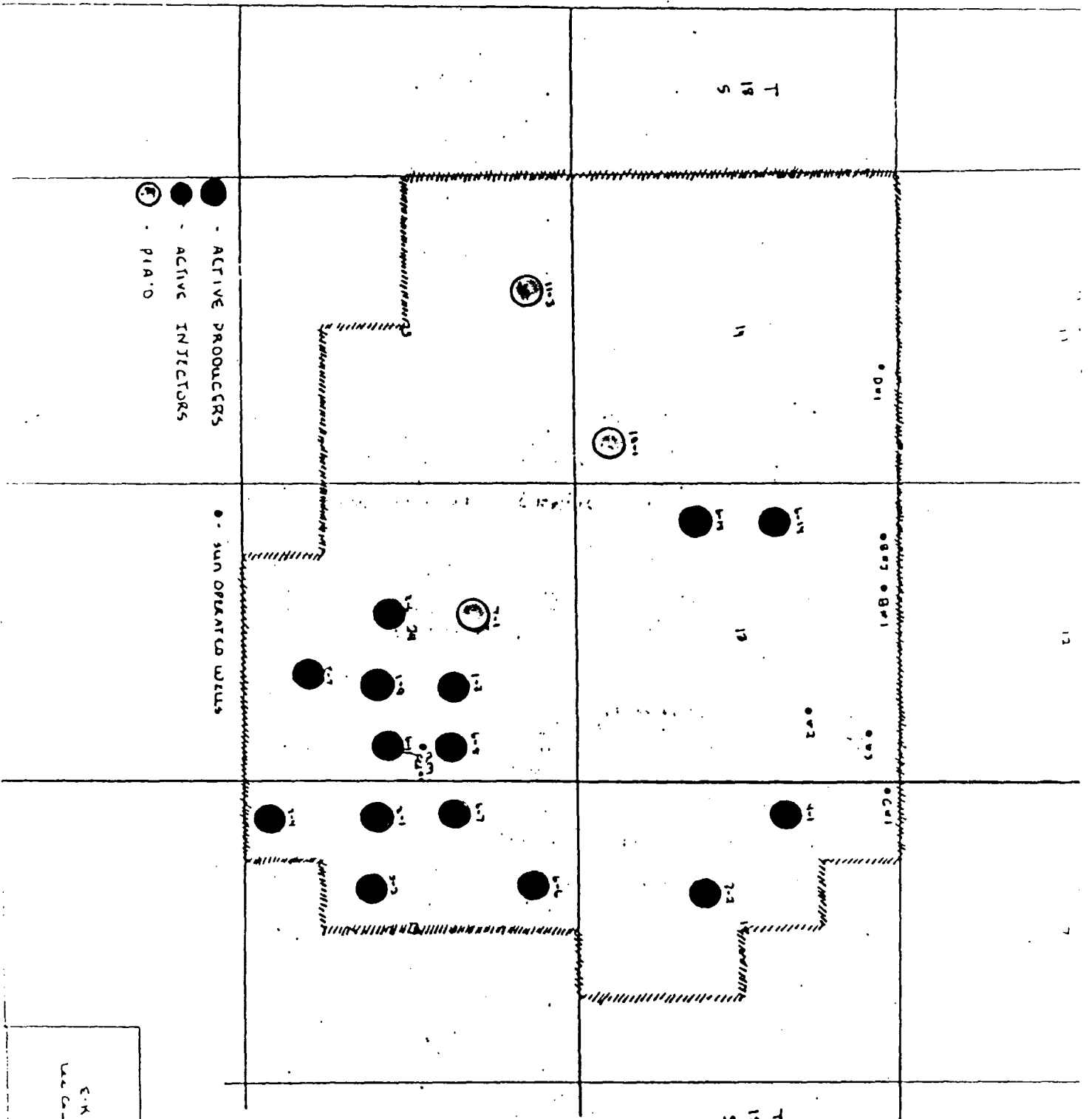
BOPM

OIL 100



6-13





- - ACTIVE PRODUCERS
- - ACTIVE INJECTORS
- ⊗ - PIA'D

● - SUN OPERATED WELLS

E-K GATEWAY UNIT
See Contingency New Mexico



W.R. HUMPHRIES
COMMISSIONER

Commissioner of Public Lands

SLO REF. NO. OG-798

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

June 3, 1988

Hunker-Fedric, P. A.
Attn: Mr. George H. Hunker, Jr.
P. O. Box 1837
Roswell, New Mexico 88201

This office is in receipt of your letter of June 2, 1988, together with a Change in Unit Operator form executed by Mobil Oil Company and other working interest owners totaling 77% of the unit area.

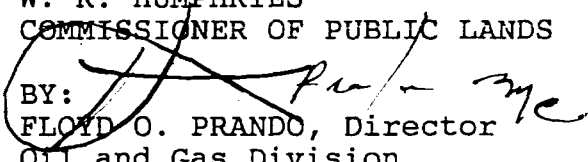
Please be advised that as per Section 9 of the E. K. Queen Unit Agreement, the Commissioner of Public Lands has this date approved the Resignation of Mobil Producing Texas & New Mexico Inc. and the designation of Santa Fe Exploration Co. as the successor unit operator of the E. K Queen Unit.

Our approval subject to like approval by the Bureau of land Management.

If we may be of further help please do not hesitate to call on us.

Very truly yours,

W. R. HUMPHRIES
COMMISSIONER OF PUBLIC LANDS

BY: 
FLOYD O. PRANDO, Director
Oil and Gas Division
(505) 827-5744

WRH/FOP/pm
encls.

cc: OCD-Santa Fe, New Mexico
BLM-Roswell, New Mexico

State of New Mexico



W.R. HUMPHRIES
COMMISSIONER



Commissioner of Public Lands

3255

SLO REF NO. OG-684

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

February 29, 1988

Santa Fe Exploration Company
ATTENTION: Ms. Lorraine R. Schmitt
P. O. Box 1136
Roswell, New Mexico 88202

Re: Change in Unit Operator
E. K. Queen Unit
Lea County, New Mexico

Gentlemen:

Upon reviewing the E. K. Queen Unit we find that Santa Fe Exploration Company is currently operating this unit. Our records reflect that Mobil Producing Texas & New Mexico Inc., is currently the only approved operator of the subject unit.

Section 8 of the E. K. Queen Unit Agreement provides for the resignation of the unit operator and Section 9 of said unit agreement provides for the Successor Unit Operator and approval by the Commissioner of Public Lands. Please submit the proper documentation authorizing Santa Fe Exploration Company as operator of this Unit.

Also, please furnish this office with a report, by month, for the last year, of injection and production reports for each well in the unit as required in Section 12 of the subject unit agreement.

Enclosed is a copy of a resignation-designation of unit operator form.

Thank you for your cooperation and assistance in this matter.

Very truly yours,

WILLIAM R. HUMPHRIES
COMMISSIONER OF PUBLIC LANDS

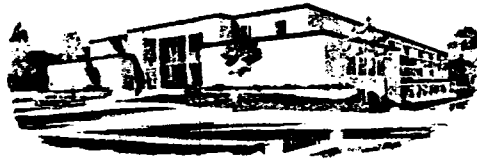
A handwritten signature in black ink, appearing to read "W. R. Humphries".

BY:
FLOYD O. PRANDO, Director
Oil and Gas Division
(505) 827-5744

WRH/FOP/pm
encls.

cc: ~~500~~-Santa Fe, New Mexico
BLM-Roswell, New Mexico

State of New Mexico



SLO REF. NO. 06-334

W.R. HUMPHRIES
COMMISSIONER

Commissioner of Public Lands

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

August 13, 1987

Santa Fe Exploration Company
Attention: Pier Pelhams
P. O. Box 1136
Roswell, New Mexico 88202

Re: E. K. Queen Unit
1987 Plan of Operations

Gentlemen:

The Commissioner of Public Lands has this date approved the above captioned Plan of Operations. Our approval is subject to like approval by all appropriate agencies.

If we may be of further help, please do not hesitate to call on us.

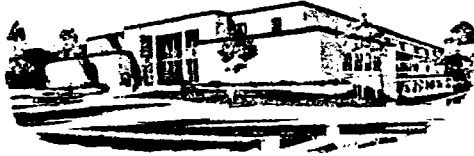
Very truly yours,

W. R. HUMPHRIES
COMMISSIONER OF PUBLIC LANDS

BY: *Floyd O. Franco*
FLOYD O. FRANCO, Director
Oil & Gas Division
(505) 827-8744

NRH/FOP/ams
enclosure
cc: Bureau of Land Management
Oil Conservation Division

State of New Mexico



NMSLO Ref No. OG-337

W.F. HUMPHRIES
COMMISSIONER

Commissioner of Public Lands

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

August 14, 1987

Santa Fe Exploration Company
ATTENTION: Mr. Pier Pelham
P. O. Box 1136
Roswell, New Mexico 88202

Re: E. K. Queen Unit
Change of Unit Operator

Gentlemen:

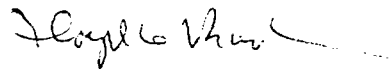
Our records indicate that Mobil Producing Texas and New Mexico Inc., is the Unit Operator of the E. K. Queen Unit Area, Lea County, New Mexico. Articles 8 and 9 of the unit agreement require any changes in the unit operator to be approved by this office and the Commissioner of Public Lands and the Bureau of Land Management.

Please submit a designation of unit operator form to this office for approval.

If we may be of further help please do not hesitate to call on us.

Very truly yours,

W. R. HUMPHRIES
COMMISSIONER OF PUBLIC LANDS

BY: 
FLOYD O. PRANDO, Director
Oil and Gas Division
(505) 827-5744

WRH/FOP/pm
encls.

cc: OCD-Santa Fe, New Mexico
BLM-Roswell, New Mexico

State of New Mexico



Commissioner of Public Lands



February 3, 1966

GUYTON B. HAYS
COMMISSIONER

P. O. BOX 1148
SANTA FE, NEW MEXICO

Mobil Oil Company
Post Office Box 633
Midland, Texas 79704

Re: E-K Queen Unit
Lea County, New Mexico

ATTENTION: Mr. Fred S. Wright, Jr.

Gentlemen:

We acknowledge receipt of your letter of February 1, 1966, sending us a copy of the United States Geological Survey's Certificate of Determination dated December 15, 1965, approving the E-K Queen Unit Agreement. Also acknowledged for filing is Certificate of Effectiveness as required by Article 23 of the Unit Agreement.

Upon final approval by the United States Geological Survey of a Federal and State Unit, may we please be furnished a copy of the Certificate of Determination immediately.

Very truly yours,

GUYTON B. HAYS
COMMISSIONER OF PUBLIC LANDS

BY:
Ted Bilberry, Director
Oil and Gas Department

GHEH/TE/MMR/s

cc: Oil Conservation Commission
Santa Fe, New Mexico

United States Geological Survey
Roswell, New Mexico

Denver 1857
Roswell, New Mexico 88201

MAIN OFFICE OCC

FEB 21 AM 9:04

February 17, 1966

Mobil Oil Company
P. O. Box 633
Midland, Texas 79704

Attention: Mr. Fred S. Wright, Jr.

Gentlemen:

Your letter of February 3, 1966, transmits the following described papers relating to the E K Queen unit agreement, Lea County, New Mexico:

1. Six copies of a "Certificate of Effectiveness" filed pursuant to Section 23 of the E K Queen unit agreement to establish the effective date of the agreement as January 1, 1966.
2. Five copies each of Exhibits A and B revised as of the effective date of the unit agreement.
3. One copy of the unit agreement containing reproduced working interest owner signatures.

The copy of the unit agreement is returned herewith since all appropriate Federal offices have previously been furnished a fully executed copy of the agreement. The revised Exhibits A and B are also returned as unnecessary inasmuch as all tracts within the unit area were qualified for participation when the agreement was approved by the Director and there have been no subsequent changes in the unit area or in the ownership of the individual unit tracts.

Copies of the "Certificate of Effectiveness" are being distributed to the appropriate Federal offices. The copies surplus to our needs are returned.

Sincerely yours,

cc:
Washington (w/cy certif.)
HM - Santa Fe (w/cy certif.)
Hobbs (w/cy certif.)
N.M.S.C.C. - Santa Fe (ltr. only) ✓
Com. of Pub. Lands (ltr. only)
Accounts
Stauffer

(SIGNED) CARL C. TRAYVICK

CARL C. TRAYVICK
Acting Oil & Gas Supervisor



IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Drawer 1657
Roswell, New Mexico 88201

December 28, 1965

Mobil Oil Company
P. O. Box 633
Midland, Texas 79704

Gentlemen:

Your initial plan covering secondary recovery operations of the E. K. Queen unit, Lea County, New Mexico, has been approved on this date.

Two copies of the approved plan are enclosed.

Sincerely yours,

(SIGNED)

JOHN A. ANDERSON
Regional Oil and Gas Supervisor

cc:
Washington (w/cy plan)
Hobbs (w/cy plan)
NMOCC, Santa Fe (ltr. only) ✓
Com. of Pub. Lands, Santa Fe (ltr. only)

GOVERNOR
JACK M. CAMPBELL
CHAIRMAN

State of New Mexico
Oil Conservation Commission



LAND COMMISSIONER
GUYTON B. HAYS
MEMBER

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

P. O. BOX 2088
SANTA FE

June 1, 1965

Mr. James E. Sperling
Modrall, Seymour, Sperling, Roehl &
Harris
Attorneys at Law
Post Office Box 466
Albuquerque, New Mexico

Re: Case No. 3255
Order No. R-2913
Applicant:
Socony Mobil Oil Co., Inc.

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

ir/

Carbon copy of order also sent to:

Hobbs OCC x

Artesia OCC

Aztec OCC

OTHER _____

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 3255
Order No. R-2913

APPLICATION OF SOCONY MOBIL OIL COMPANY,
INC., FOR APPROVAL OF THE E-K QUEEN UNIT
AGREEMENT, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on May 26, 1965, at Santa Fe, New Mexico, before Examiner Daniel S. Mutter.

NOW, on this 1st day of June, 1965, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, 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 applicant, Socony Mobil Oil Company, Inc. seeks approval of the E-K Queen Unit Agreement covering 2,895.36 acres, more or less, of State, Federal and Fee lands described as follows:

LEA COUNTY, NEW MEXICO

TOWNSHIP 18 SOUTH, RANGE 13 EAST, NMPN

Sections 13 and 14: All

Section 23: N/2 and N/2 SE/4

Section 24: E/2, E/2 SW/4, SE/4 SW/4,
and SE/4

TOWNSHIP 18 SOUTH, RANGE 14 EAST, NMPN

Section 18: NW/4 NW/4, S/2 NW/4, SW/4,
and W/2 SE/4

Section 19: NW/4, E/2 SW/4, and SW/4 SW/4

(3) That approval of the proposed unit agreement should promote the prevention of waste and the protection of correlative rights within the unit area.

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 3255
Order No. R-2913

APPLICATION OF SOCONY MOBIL OIL COMPANY,
INC., FOR APPROVAL OF THE E-K QUEEN UNIT
AGREEMENT, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on May 26, 1965, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 12th day of June, 1965, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, 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 applicant, Socony Mobil Oil Company, Inc. seeks approval of the E-K Queen Unit Agreement covering 2,895.36 acres, more or less, of State, Federal and Fee lands described as follows:

LEA COUNTY, NEW MEXICO
TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM
Sections 13 and 14: All
Section 23: E/2 and E/2 SE/4
Section 24: E/2, E/2 SW/4, SE/4 SW/4,
and SE/4

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM
Section 18: NW/4 NW/4, E/2 NW/4, SW/4,
and W/2 SE/4
Section 19: NW/4, E/2 SW/4, and SW/4 SW/4

(3) That approval of the proposed unit agreement should promote the prevention of waste and the protection of correlative rights within the unit area.

CASE No. 3255
Order No. R-2913

IT IS THEREFORE ORDERED:

- (1) That the S-K Queen Unit Agreement is hereby approved.
- (2) That the plan contained in said unit agreement for the development and operation of the unit area is hereby 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, duty, or obligation which is now, or may hereafter be, vested in the Commission to supervise and control operations for the exploration and development of any lands committed to the unit and production of oil or gas therefrom.
- (3) 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; that in the event of subsequent joinder by any party or expansion or contraction of the unit area, the unit operator shall file with the Commission within 30 days thereafter counterparts of the unit agreement reflecting the subscription of those interests having joined or ratified.
- (4) That this order shall become effective upon the approval of said unit agreement by the Commissioner of Public Lands for the State of New Mexico and the Director of the United States Geological Survey; that this order shall terminate ipso facto upon the termination of said unit agreement; and that the last unit operator shall notify the Commission immediately in writing of such termination.
- (5) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JACK M. CAMPBELL, Chairman

GUYTON B. HAYE, Member

S E A L

A. L. PORTER, Jr., Member & Secretary

enr/

LAW OFFICES OF
MODRALL, SEYMOUR, SPERLING, ROEHL & HARRIS

J. P. MODRALL
AUGUSTUS T. SEYMOUR
JAMES E. SPERLING
JOSEPH E. ROEHL
GEORGE T. HARRIS, JR.
DANIEL A. SISK
LELAND S. SEEBERRY, JR.
ALLEN C. DEWEY, JR.
FRANK H. ALLEN, JR.
JAMES P. SAUNDERS, JR.
JAMES A. PARKER
HENRY G. COORS

SIMMS BUILDING
P. O. BOX 466
ALBUQUERQUE, NEW MEXICO 87103

AREA CODE 505
TELEPHONE 243-4511

JOHN F. SIMMS (885-1954)

April 29, 1965

New Mexico Oil Conservation Commission
Post Office Box 2088
Santa Fe, New Mexico

Gentlemen:

On behalf of Socony Mobil Oil Company, Inc., application is hereby made for approval after hearing of Unit Agreement providing for the establishment of the E-K Queen Unit in Lea County, New Mexico. The Agreement contemplates the institution of a waterflood project within a unit area described as follows:

Township 18 South, Range 33 East, NMPM

Section 13: All
Section 14: All
Section 23: NE/4, NW/4, N/2 SE/4
Section 24: NE/4, NW/4, SE/4, N/2 SW/4, SE/4 SW/4

Township 18 South, Range 34 East, NMPM

Section 18: NW/4 NW/4, S/2 NW/4, SW/4, W/2 SE/4
Section 19: NW/4, N/2 SW/4, SW/4 SW/4

containing 2895.36 acres, more or less.

The ownership of the lands within the unit area is federal and state, subject to oil and gas leases held by various lessees. A copy of the Unit Agreement will be furnished to the Commission at the time of the hearing, and testimony concerning the status of the execution of the Agreement and approval by the requisite agencies will be presented.

On April 28, 1965, we filed with your office application for authority to insitute a waterflood project within the unit area. It is requested that the hearing on the Unit Agreement and on the waterflood project be set before an Examiner on May 26, 1965.

Very truly yours,

James E. Sperling
James E. Sperling

JES/sd
Encls.
cc: Mr. Glen W. Barb

DOCKET MAILED

Date _____

LAW OFFICES OF
MODRALL, SEYMOUR, SPERLING, ROEHL & HARRIS

J. R. MODRALL
AUGUSTUS T. SEYMOUR
JAMES E. SPERLING
JOSEPH E. ROEHL
GEORGE T. HARRIS, JR.
DANIEL A. SISK
LELAND S. SEDBERRY, JR.
ALLEN C. DEWEY, JR.
FRANK H. ALLEN, JR.
JAMES P. SAUNDERS, JR.
JAMES A. PARKER
HENRY G. COORS

SIMMS BUILDING
P. O. BOX 466
ALBUQUERQUE, NEW MEXICO 87103
AREA CODE 505
TELEPHONE 243-4511

JOHN F. SIMMS (1885-1954)

April 29, 1965

4-29-65

Office of the State Engineer
Capitol Building
Santa Fe, New Mexico

Attention: Mr. Frank Irby

Gentlemen:

Socony Mobil Oil Company, Inc. has filed its application before the Oil Conservation Commission seeking authority for the institution of a waterflood project in Lea County, New Mexico, to be designated as the E-K Queen Unit. Enclosed herewith is a copy of the application and all exhibits thereto as filed with the Oil Conservation Commission on April 28, 1965. It is my understanding that this matter is to be set for hearing before an Examiner on May 26, 1965.

Very truly yours,

James E. Sperling

JES/sd

Encls.

cc: Oil Conservation Commission ✓