

MAERSK ENERGY INC.

MAERSK

01 15 10 52
4139

November 4, 1994

Energy, Minerals & Natural Resources Division
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Re: Milnesand Unit
Roosevelt County, New Mexico

Effective November 1, 1994, Maersk Energy Inc. will no longer be associated with the subject field. A.C.T. Operating will be the new operator. Mr. David Stevens, former Maersk contract pumper, will become a representative of A.C.T. Operating.

Maersk appreciates the support and services your company has provided us in the past. It has been a pleasure doing business in New Mexico.

A.C.T. Operating has the following contacts and addresses:

Main Address:	A.C.T. Operating c/o Oil Transactions 1990 N. California Blvd. #620 Walnut Creek, California 94596	or	A.C.T. Operating c/o Granite Pacific, L.C. Highway 183 South Luling, Texas 78648
	Attn: Mr. Don Raymond 510/933-5464		
	Production Superintendent:	Mark Risien	210/875-2151
	Field Representative:	David Stevens	505/675-2328

Any activity regarding this field after November 1, 1994 should be directed to one of the above. Maersk Energy will be responsible for all credits and debits prior to November 1, 1994.

if there are any business questions regarding this field, please feel free to contact the undersigned.

Sincerely,



Sonny Bryan, P.E.
Manager
Operations

SB/jac

c:\wp\dirts\sb\milnes\vendor.ltr



Corporation

UNION TEXAS PETROLEUM DIVISION

1300 WILCO BUILDING • MIDLAND, TEXAS 79701 • AREA CODE, 915, 682-0515

August 14, 1969

15 AUG 15 1969

Mr. I. R. Trujillo
Oil Conservation Commission
State Land Office Building
Sante Fe, New Mexico 87501

Re: Milnesand Waterflood Project
Case No. 4140
Order No. R-3770

Dear Mr. Trujillo:

The subject order provides that Allied Chemical Corporation may institute a waterflood unit in the Milnesand (San Andres) Field, Roosevelt County, New Mexico. This project will be operated under the name of Union Texas Petroleum as set out in the Unit Agreement (Case No. 4139; Order R-3766).

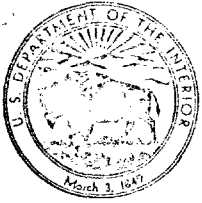
This letter confirms our telephone conversation of July 13, 1969.

Respectfully,

UNION TEXAS PETROLEUM

G. M. Dougherty
Administration Unit Coordinator

GMD/gv



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

JAN 7 - 1969

Union Texas Petroleum Division
of Allied Chemical Corporation
P. O. Box 2120
Houston, Texas 77001

Gentlemen:

Your application of November 1 filed with the Regional Oil and Gas Supervisor, Roswell, New Mexico, requests the designation of the Milnesand (San Andres) unit area embracing 5,354.30 acres, Roosevelt County, New Mexico, as logically subject to operation under the unitization provisions of the Mineral Leasing Act as amended. Our review of the unit area indicates the total acreage to be 5,370.18 acres. Please recheck and correct your acreage figures if appropriate. Based on such acreage figure, the unit area embraces 2,586.94 acres (48.17 percent) of Federal land and 2,783.24 acres (51.83 percent) of fee land.

Unitization is for the purpose of conducting secondary recovery operations by waterflooding and will be limited to that portion of the San Andres defined by Section 2(h) of the unit agreement. The proposed unit area has been developed by 123 wells completed in the formation to be unitized. Participation will be based on a two-phase formula as follows:

Primary Phase - 25 percent of the production from January 1, 1966, to September 1, 1966, and 75 percent of the remaining primary oil after September 1, 1966.

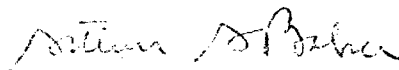
Secondary Phase - 75 percent ultimate primary, 5 percent porosity acre feet, and 20 percent cumulative production to September 1, 1966.

The secondary phase is to begin the first day of the month next following the date when oil production subsequent to September 1, 1966, from the interval to be unitized within the unit area equals 2,284,845 barrels. You estimate that secondary recovery operations will result in the recovery of 4,224,568 barrels of additional oil.

The land outlined on your plat marked "Exhibit A, Milnesand (San Andres) Unit, Roosevelt County, New Mexico," is acceptable as a logical unit area for secondary recovery operations. Your proposed form of unit agreement will be acceptable if further modified in accordance with the marked form returned herewith. The remaining copies of the proposed form of unit agreement are being retained for distribution to the appropriate offices of the Geological Survey.

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 Form of Agreement for Unproved Areas (1968 Reprint) should be followed closely in preparation of Exhibits A and B.

Sincerely yours,



Acting Director

Enclosure



Corporation

UNION TEXAS PETROLEUM DIVISION

1300 WILCO BUILDING • MIDLAND, TEXAS 79701 • AREA CODE, 915, 682-0515

May 23, 1969

Oil Conservation Commission
State Land Office Building
Santa Fe, New Mexico 87501

RE: Docket No. 15-69, Case 4139-4140,
May 21, 1969. Application of
Allied Chemical Corporation for
a waterflood project, Roosevelt
County, New Mexico.

Attention: Mr. Elvis A. Utz

Gentlemen:

Attached is a tabulation of the locations of wells to be converted to injection in the proposed Milnesand (San Andres) Unit waterflood. This information was requested to supplement the injection well details tabulated on Table I (Exhibit 1-G) attached to Exhibit I, as presented in evidence for the subject case.

Should additional information be required, please advise.

Very truly yours,
Union Texas Petroleum, A Division
of Allied Chemical Corporation

Gilbert E. Miller
Petroleum Engineer

GEM: fr

SUPPLEMENT TO TABLE I (EXHIBIT I-G)

DOCKET NO. 15-69

CASE 4139-4140

COMPANY	INJECTION WELL	LOCATION			
		UL	SEC.	TWP.	RGE.
Citgo	Gov't-"J" No. 1	N	5 ¹⁶	8	35
	Pate "A" No. 6	H	7 ¹⁸	8	35
Mobil	Jacobs-Fed. No. 6	P	19 ²⁴	8	35
	Jacobs-Fed. No. 9	N	20 ²⁸	8	35
Union Texas	Jacobs-Fed. No. 6	N	18 ²¹	8	35
	Jacobs-Fed. No. 10	F	19 ²⁵	8	35
	Jacobs-Fed. No. 16	N	19 ²⁶	8	35
	Jacobs-Fed. No. 17	H	19 ²⁷	8	35
	Hefflefinger No. 3	F	18 ²²	8	35
	Hefflefinger No. 4	H	18 ²³	8	35
	Haley No. 5	P	13 ⁵	8	34
	Haley No. 6	N	13 ⁶	8	34
Lario	Fed. "A" No. 3	P	14 ⁹	8	34
Sun DX	N.M. Fed. F No. 4	H	13 ⁷	8	34
	N.M. Fed. F No. 6	F	13 ⁸	8	34
	N.M. Fed. F No. 13	H	24 ¹¹	8	34
	N.M. Fed. F No. 17	P	24 ¹²	8	34
	N.M. Fed. F No. 20	P	25 ¹⁴	8	34
	Bowley No. 2	P	12 ¹	8	34
Maxwell	Fraser No. 2	P	6 ¹⁷	8	35
Getty	Coleman No. 1	F	12 ²	8	34
Sunoco	Cosby No. 2	H	12 ³	8	34
BTA	Taylor No. 2	N	7 ¹⁹	8	35
	Taylor No. 7	F	7 ²⁰	8	35
Atlantic	Miller No. 1	N	12 ⁴	8	34
Texaco	Rogers No. 3	H	25 ¹⁵	8	34
Texam	Luman No. 2	H	23 ¹⁰	8	34
	Weathersby No. 3	F	24 ¹³	8	34

WATER ANALYSIS

For: Union Texas Petroleum
1300 Wilco Bldg.
Midland, Texas

DATE: 4-2-68
LABORATORY: MIDLAND, TEXAS

LAB. NO. MK 21 001

Midland, Texas

E. Crenshaw Devocian

CONCENTRATION	UNIT	TEMPERATURE	PH	RESIDUAL	TOTAL
Heat Treatment		6.4		1.041	75
30,000	072			37,000	1,041
2,800	180			500	
500	70			710	10
Trace				0	

PERCENTAGE

	0	1	2	3	4	5	6	7	8	9	10
Na/100											
Ca/100											
Mg/100											
Fe/10											

Remarks:

ILLEGIBLE

George N. Greer, Jr.
Crenshaw - 2
Tulsa Lab



Union Texas Petroleum Division

ALLIED CHEMICAL CORPORATION

1300 WILCO BUILDING • MIDLAND, TEXAS 79701

915, 682-0515

September 23, 1971

RECEIVED

SEP 27 1971

OIL CONSERVATION COMM.
SANTA FE

#1
Case 4140

By case file

Oil Conservation Commission
State of New Mexico
State Land Office Building
Santa Fe, New Mexico 87501

Attention: Mr. I. R. Trujillo

Re: Milnesand Waterflood Project
Case #4140, Order #R-3770

Gentlemen:

Water injection in the following wells in the subject unit, authorized for use as injection wells by Case #4140, Order #R-3770, began September 14, 1971: Wells Nos. 11, 26, 29, 36, 43, 54, 56, 92, 101, 112, 122, 127, 136, 151, 162, 183, 184, 195, 196, 203, 310, 316, 317, 513 and 517.

Quantity of water injection into these wells will be reported monthly on Form C-120.

Yours very truly,

UNION TEXAS PETROLEUM CORPORATION

G. M. Dougherty
G. M. Dougherty
Unit Coordinator

GMD:hb

cc: District #1, Hobbs, New Mexico

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE NEW MEXICO 87501

May 6, 1975

C
O
P
Y
Markay Oil and Gas Company
P. O. Box 1585
Midland, Texas 79701

Attention: Mr. D. M. Norman

Gentlemen:

It is our understanding that pursuant to a contract executed by yourself and Union Texas Petroleum, Union Texas will sell pressurized water to Norman who will inject it into his Weathersby Well No. 3, located in Unit F, Section 24, Township 8 South, Range 34 East, NMPM, Milnesand-San Andres Pool, Roosevelt County, New Mexico.

Inasmuch as said Weathersby Well No. 3 was approved for water injection by Commission Order No. R-3770, dated May 28, 1969, no further approval will be necessary, and you are authorized to proceed with your proposed water injection project.

Very truly yours,

DANIEL S. NUTTER
Chief Engineer

DSN/dr

cc: Oil Conservation Commission - Hobbs

Case file 4140

MARKAY OIL & GAS COMPANY

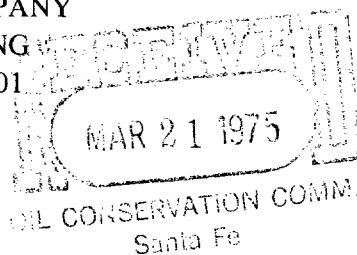
915/682-0396

~~227~~ OIL & GAS BUILDING

MIDLAND, TEXAS 79701

P. O. Box 1585

March 19, 1975



Mr. D. S. Nutter
Chief Engineer
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Milnesand San Andres Unit

Dear Sir:

Enclosed you will find for your files a xerox copy of a contract between D. M. Norman and Union Oil of Texas, whereby Union agrees to sell pressured water to Norman which is to be injected in the No. 3 Weathersby well in the Milnesand San Andres Field. This well is located 1980 from NL and 1980 from WL of Section 24, T-8-S, R-34-E.

This contract has been in the making for several months and at the start of this procedure, I visited with you on the phone and you advised that it would not be necessary to have a new hearing on this matter in as much as the well had been approved for an injection well at the time the other wells in this unit were approved.

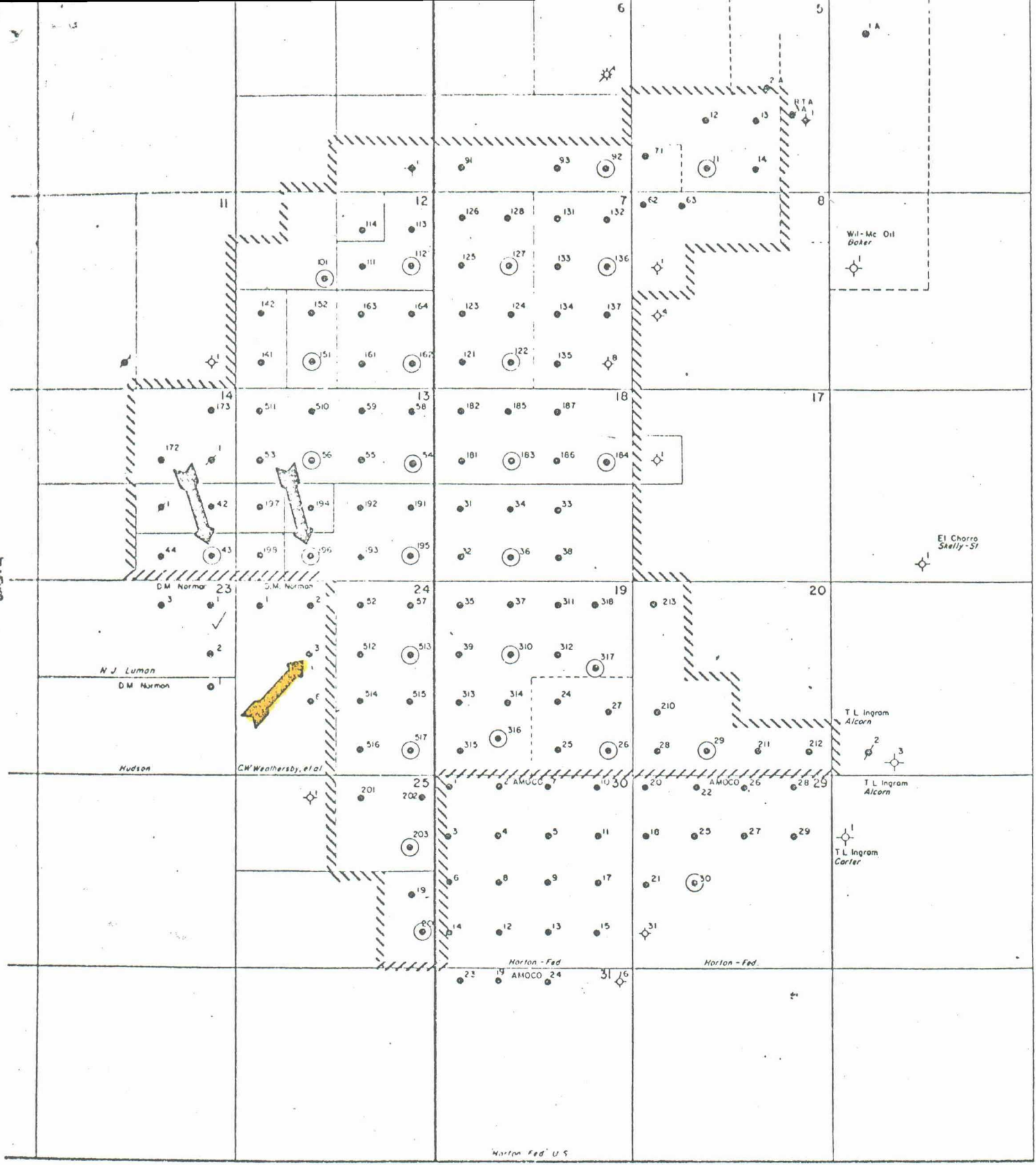
It is our intention to commence water on or about the first of April.

Sincerely yours,

D. M. Norman

DMN:am

Encl.



R-34-E

R-35-E

LEGEND

- ⊙ INJECTION WELL
- PRODUCING WELL
- ⚡ TEMPORARILY ABANDONED
- ◆ PERMANENTLY ABANDONED
- ⚡ DRY HOLE
- //// UNIT BOUNDARY



UNION TEXAS PETROLEUM
A DIVISION OF ALLIED CHEMICAL CORPORATION

MILNESAND (SAN ANDRES) UNIT
ROOSEVELT COUNTY, NEW MEXICO

SCALE IN FEET
0 1000 2000 3000 4000

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

May 28, 1969

Mr. Clarence Hinkle
Hinkle, Bondurant & Christy
Attorneys at Law
Post Office Box 10
Roswell, New Mexico 88201

Dear Sir:

Enclosed herewith is Commission Order No. R-3770, entered in Case No. 4140, approving the Allied Chemical Milnesand Waterflood Project.

Injection is to be through the 28 authorized water injection wells, each of which shall be equipped with plastic-lined tubing set in a packer at approximately 4565 feet. The casing-tubing annulus of each injection well shall be loaded with corrosion inhibited fluid and equipped with a pressure gauge at the surface to facilitate detection of leakage in the casing, tubing, or packer.

As to allowable, our calculations indicate that when all of the authorized injection wells have been placed on active injection, the maximum allowable which this project will be eligible to receive under the provisions of Rule 701-E-3 is 4596 barrels per day when the Southeast New Mexico normal unit allowable is 42 barrels per day or less.

Please report any error in this calculated maximum allowable immediately, both to the Santa Fe office of the Commission and the appropriate district proration office.

In order that the allowable assigned to the project may be kept current, and in order that the operator may fully benefit from the allowable provisions of Rule 701, it behooves him to promptly notify both of the aforementioned Commission offices by letter of any change in the status of wells in the project area, i.e., when active injection commences, when additional injection or producing wells are drilled, when additional wells are acquired through purchase or unitization, when wells have received a response to water injection, etc.

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

-2-

Mr. Clarence Hinkle
Hinkle, Bondurant & Christy
Attorneys at Law
Roswell, New Mexico

May 28, 1969

Your cooperation in keeping the Commission so informed as to the status of the project and the wells therein will be appreciated.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/DSN/ir

cc: Oil Conservation Commission
Hobbs, New Mexico

U. S. Geological Survey
Post Office Box 1838
Hobbs, New Mexico 88240

Mr. D. E. Gray
State Engineer Office
Santa Fe, New Mexico

C
O
P
Y

CLARENCE E. HINKLE
W. E. BONDURANT, JR.
S. B. CHRISTY IV
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.

LAW OFFICES
HINKLE, BONDURANT & CHRISTY
600 HINKLE BUILDING
ROSWELL, NEW MEXICO 88201

May 5, 1969

MIDLAND, TEXAS OFFICE
521 MIDLAND TOWER
(915) MU 3-4691

TELEPHONE (505) 622-6510
POST OFFICE BOX 10

Case 4140

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

Attention: Mr. A. L. Porter
Secretary - Director

Re: Application of Allied Chemical
Corporation for Approval of
Secondary Recovery Program
Covering the Milnesand (San Andres)
Unit Area in Roosevelt County, N.M.

Dear Mr. Porter:

On May 1, 1969, we made application in connection with the above, and in Paragraph 4 of the application we made the statement that all of the wells in the unitized area had reached advance stage of depletion and are regarded as what is commonly referred to as "stripper" wells.

Allied Chemical Corporation has called us this date and advised that we were incorrect in this assumption and that some of the wells are in an advanced stage of depletion but others are not. We, therefore, wish to immediately call your attention to this error in our understanding when preparing the application.

It appears to us that we will now have a combination pressure maintenance and waterflood project for the unitized area, but of course, both are covered by your Rule 701 to which the application is directed. The matter, of course, will be further clarified at the hearing on the application.

Respectfully,

HINKLE, BONDURANT & CHRISTY

By

S. B. Christy IV
S. B. Christy IV

SBC:pv
cc: Allied Chemical Corporation