

Casa No.

337

Application, Transcript,
Small Exhibits, Etc.

OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

Transcript of Hearing

CASE NO. 337

January 22, 1952

Henrickson's Reporting Service
2224 - 47th Street
Los Alamos, New Mexico

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

January 22, 1952

Case 337: In the matter of the application of R. S. Magruder to
unitize for preration and production and operation purposes, lots
1 and 2, Section 33, with the NE/4 NW/4 and SE/4 NW/4 of the same
section in Township 24 South, Range 38 East, NMPM, Lea County,
New Mexico.

R. S. MAGRUDER,

after first having been duly sworn, testified as follows:

MR. MAGRUDER: I'm an individual operator and I have two forty
(40) acre tracts and I would - - -

MR. SPURRIER: Will you speak up a little louder, please?

MR. MAGRUDER: These two lots are inside the forty(40) acre
tracts which are leased to Gulf on the west. In order for them to
continue with the drilling of the well and to increase the allow-
able on these two forty acre tracts.

MR. GRAHAM: Have you made application to the State Land
Office?

MR. MAGRUDER: No, not the State Land Office. These two lots
are seven and one-half acres each but there is State Land a little
to the west and north.

MR. GRAHAM: My question was - had you made application to the

State Land Office - - -

MR. MAGRUDER: No. The State Land belongs to Gulf and I didn't think that was necessary and to increase the allowable, I thought we came to the Commission.

MR. SPURRIER: Mr. Campbell, are you representing the Gulf Oil Company?

MR. CAMPBELL: Yes, sir.

MR. SPURRIER: In this case?

MR. CAMPBELL: Yes, sir.

MR. SPURRIER: You have some comment?

MR. CAMPBELL: If I understood - - I couldn't hear Mr. Magruder very well - I understood that he is asking for an increase in the acreage allowable for the additional tracts to be unitized. I have no statement then.

MR. SPURRIER: Mr. Morrell, do you have any comment in this case?

MR. MORRELL: If the Commission please, I think it would be well to have the record show that the unitization of the narrow lots adjoin the Texas State Line. These lots for which Mr. Magruder has made application under case 337 are only a few of many. In Mr. Magruder's case, there are already producing wells in Texas Six hundred and sixty (660) feet from New Mexico's State Line. Drainage from the State of New Mexico is occurring. Mr. Magruder is the lessee from the Federal Government of two leases or two lots,

Lots 1 and 2, Section 33, Township 24 South, Range 38 East. We concur in his application to save steel, that these lots be communitized with the adjoining 40 acre tract from the State Line to the west. Those two lots having the specific acreage of - Lot 1, has 7.21 acres - Lot 2 has 7.24 acres according to surveys in the General Land Office, now the Bureau of Land Management. To be fair and equitable, to communitize the tracts comprising 47.21 acres and 47.24 acres should have an allowable adjustable to the actual acreage, possibly the nearest acre as compared to the allowable for a normal forty.

MR. GRAHAM: Thank you, Mr. Morrell.

MR. SPURRIER: Does anyone else - - -

MR. GRAHAM: Mr. Magruder, have you contacted the Gulf people on the matter?

MR. MAGRUDER: Yes. They say that they will be willing to unitize the two forty (40) acre tracts that adjoin to the west. They have indicated that they would be agreeable.

MR. GRAHAM: Illustrate what would happen if that seven acre tract of yours was consolidated with the forty (40) acre tract of Gulf's.

MR. MAGRUDER: Well, in that case they would drill their forty (40) acre tract - - -

MR. GRAHAM: To secure what allowable?

MR. MAGRUDER: To secure an allowable based on to say, forty

seven (47) acres over forty (40).

MR. GRAHAM: And then where would you come out?

MR. MAGRUDER: Well, I would participate in drilling that well or would make a deal with them whereby they would take over the lease. I don't know what that would be.

MR. GRAHAM: They are hopeful of getting that seven acre lease?

MR. MAGRUDER: Yes.

MR. SPURRIER: Does anyone else have any questions of Mr. Magruder? If there are no further questions of this witness, the witness will be excused. The case will be taken under advisement.

STATE OF NEW MEXICO)
COUNTY OF LOS ALAMOS) ss

I hereby certify that the foregoing and attached transcript of hearing in Case 337 before the Oil Conservation Commission on January 22, 1952, at Santa Fe is a true record of the same to the best of my knowledge, skill and ability.

DATED at Los Alamos, this 24th day of January, 1952.


Audrey M. Henrickson

My commission expires September 20, 1955.

COMMUNITIZATION AGREEMENT

RECEIVED
JUN 24 1953
U. S. GEOLOGICAL SURVEY
ROSWELL, NEW MEXICO

14-08-001-931

THIS AGREEMENT made and entered into this 11th day of

April, 1952, by and between the undersigned Gulf Oil Corporation, James H. Snowden and wife, Frances Gardner Snowden, Fred J. Brotherton and wife, Marion B. Brotherton, Leslie B. Gardner and wife, Antoinette W. Gardner, Elmer L. Lockwood and wife, Florence Lockwood, W. E. Irvin and wife, Helen Irvin, George A. Melhaus, Jr. and wife, Margaret Melhaus, and Gus Layton and wife, Delight Layton, hereinafter referred to as "Lessees", The Fort Worth National Bank, Executor and Trustee Under the Will of R. B. Magruder, Deceased, and Helen Magruder, widow of R. B. Magruder, hereinafter referred to as "Override Owners", and L. E. Hults and wife, Mabel Hults, hereinafter referred to as "Oil Payment Owners".

WITNESSETH: THAT,

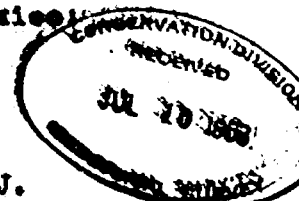
WHEREAS, Gulf Oil Corporation is the present owner of that certain oil and gas lease executed by Commissioner of Public Lands of the State of New Mexico as Lessor under date of February 29, 1933, and bearing Lease No. B-1732 embracing among other lands the following described lands in Lea County, New Mexico:

NE 1/4 of Section 33, Township 24 South, Range 38 East, containing 40 acres more or less; and

WHEREAS, by assignments, James H. Snowden, Fred J. Brotherton, Leslie B. Gardner, Elmer L. Lockwood, W. E. Irvin, George A. Melhaus, Jr. and Gus Layton are the present owners and holders of United States Oil and Gas Lease LC-069752 executed in favor of R. B. Magruder as Lessee under date of June 1, 1951, by the United States of America as Lessor, embracing among other lands the following described lands in Lea County, New Mexico:

Lot 1, Section 33, Township 24 South, Range 38 East, containing 7.21 acres more or less; and

WHEREAS, Helen Magruder and The Fort Worth National Bank, Executor and Trustee Under the Will of R. B. Magruder, are the present owners and holders of an overriding royalty under the above described portion of Federal Oil and Gas Lease LC-069752 of five (5%) percent of the value, based upon the field market price at the well, of oil and/or gas produced, saved and marketed from said lease.



WHEREAS, L. E. Hults is the present owner and holder of an oil payment under the described portion of Federal Oil and Gas Lease LO-069752 of 1/32 of 7/8 of the first oil, gas or casinghead gas produced from the above described property, until he shall have received proceeds therefrom equal to \$1,000.00 for each mineral acre, and

WHEREAS, said overriding royalty interest and said oil payment constitute all overriding royalty interest or oil payments existing on the hereinabove described leases and acreage; and

WHEREAS, the parties hereto desire to communitize their respective interests in the above described oil and gas leases in order to form one tract or unit described as follows:

NE 1/4 and Lot 1 of Section 33, Township 24 South, Range 38 East, containing 47.21 acres more or less; and

WHEREAS, on April 11, 1952, the Oil Conservation Commission of New Mexico by its Order No. R-144, a copy of which is attached hereto and marked Exhibit "A", communitized the two above described tracts into one tract and provided for an allowable of 47/40 of the top unit allowable to said tract now located by order of the Oil Conservation Commission of New Mexico within the West Bellarhide Pool, Lea County, New Mexico; and

WHEREAS, in order to be consistent with the rules and regulations covering well spacing and production allowables, Lessees desire to operate the communitized unit for the purpose and intention of developing and producing oil, gas and casinghead gas in accordance with the terms and provisions of this agreement;

NOW THEREFORE, in consideration of the premises and mutual advantages offered by this agreement, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The land subject to this agreement shall be developed and operated for oil, gas and casinghead gas producible from all

formations as an entirety, with the understanding that such oil, gas or casinghead gas produced from the communitized tract shall be allocated between the leaseholds comprising said tract in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed hereto. Each party hereto reserves the right to take its allocated proportion of the communitized production in kind. The royalties and overriding royalties payable on the production so allocated to the lands comprising the leaseholds and the rentals provided for in said leases shall be determined and paid on the basis respectively prescribed in the individual leases. There shall be no obligation on the lessees to offset any producing well or wells on separate component tracts into which said communitized tract is now or may hereafter be divided, nor shall said lessees be required to separately measure oil, gas or casinghead gas by reason of the diverse ownership of said substances ~~located~~ under said tract, but lessees shall not be released from their obligation to protect said communitized tracts from drainage of oil, gas and casinghead gas from any well or wells which may be drilled offsetting said tract. Payment of rentals under the terms of the leases hereinabove mentioned and described shall not be affected by this agreement, except as provided for under the terms and provisions of said leases or as may herein be otherwise provided.

2. Except as herein modified and changed said oil and gas leases hereinabove described shall remain in full force and effect as originally drawn.

3. The commencement, completion, continued operation or production of a well or wells on the communitized tract shall be construed and considered as the commencement, completion, continued operation or production from each and all of the lands within and comprising said communitized tract, and operations or production pursuant to this agreement shall be deemed to be operations or production under each lease committed hereto.

4. All production of oil, gas and casinghead gas shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. The provisions of this agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations which effect performance of any of the provisions of this agreement and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules and regulations.

5. Gulf Oil Corporation shall be the Operator of said communitized tract and all matters of operation shall be governed by the Operator.

6. This agreement shall be effective as of the date hereof upon approval by the Director of the Geological Survey and by the Commissioner of Public Lands of the State of New Mexico and shall remain in force and effect for a period of 2 years after its effective date and so long thereafter as oil, gas or casinghead gas is produced from any part of said communitized tract in paying quantities, provided that prior to production in paying quantities from said communitized tract and upon fulfillment of all requirements with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto.

7. Operator of said communitized tract hereby agrees to furnish the Commissioner of Public Lands of the State of New Mexico and the Secretary of the Interior or his duly authorized representatives with the log and history of any well or wells; monthly report of operations; statement of oil and gas runs and royalties, together with such other reports as are deemed necessary to compute monthly the royalty due the State of New Mexico and the

United States, as specified in the applicable oil and gas operating regulations for any well within the communitized tract.

8. The Secretary of the Interior, or his representatives, shall have the right of supervision over all operations upon Federal lands within the communitized tract and the Commissioner of Public Lands of the State of New Mexico shall have the right of supervision over all operations upon state lands to the extent and degree as provided in the respective oil and gas leases.

9. Operator, in its operations hereunder, shall not discriminate against any employee or applicant for employment because of race, creed, color or national origin and an identical provision shall be incorporated in all subcontracts.

10. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior or his authorized representative and as to state lands shall be subject to approval by the Commissioner of Public Lands of the State of New Mexico.

11. It is specifically understood that the term "oil, gas and casinghead gas" where used in this agreement is intended to and shall include all other hydrocarbon substances.

12. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their heirs, executors, administrators, successors and assigns.

13. This agreement may be executed in one or more counterparts by the parties hereto and all counterparts so executed shall be taken as a single agreement and shall have the


same force and effect as if all parties had in fact executed but a single instrument.

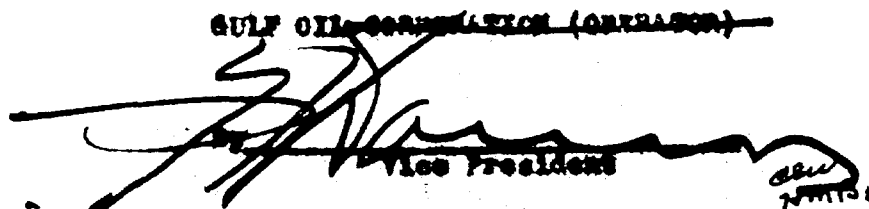
IN WITNESS WHEREOF, the parties hereto have executed this agreement effective as of the day and year first above written.


RECORD TITLE HOLDERS


GULF OIL CORPORATION (OPERATOR)


ATTEST:



Assistant Secretary
H. M. CRAIG



Vice President

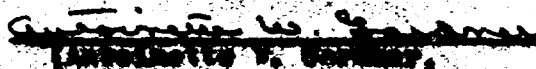

(James H. Snowden)


(Frances G. Snowden,
his wife)



(Fred J. Brotherton)



(Helen E. Brotherton,
his wife)


(Leslie E. Carlson)


(Annetta V. Carlson,
his wife)


(Florence L. Lockwood,
his wife)


(W. E. Irvin)


(Helen Irvin,
his wife)

George A. Meinhart, Jr.
(George A. Meinhart, Jr.)

Margaret Meinhart
(Margaret Meinhart,
his wife)

Sam Layton
(Sam Layton)

Elizabeth Layton
(Elizabeth Layton,
his wife)

STOCKHOLDERS

John Magruder
(John Magruder)

THE FORT WORTH NATIONAL BANK
in its Capacity as Executor and
Trustee under the Will of J. S.
Magruder, deceased

By J. S. Shelton
Vice Pres. & Trust Officer

ATTEST:

P. S. Barton
Assistant Cashier

GIL FARMER OWNERS

L. E. Hulse
(L. E. Hulse)

Mabel Hulse
(Mabel Hulse, his wife)

STATE OF TEXAS
COUNTY OF TARRANT

On this 24th day of June, 1953, before me personally appeared F. J. ADAMS, to me personally known, who, being by me duly sworn did say that he is the Vice President of Gulf Oil Corporation and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said F. J. ADAMS acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal on this the day and year first above written.

My Commission expires:
June 1, 1954

Eva Marie Cagles
Notary Public, Tarrant County

STATE OF TEXAS
COUNTY OF TARRANT

On this 18th day of May, 1953, before me personally appeared JAMES H. SNOWDEN and FRANCES GARDNER SNOWDEN, his wife, to me known to be the persons described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year in this certificate first above written.

My Commission expires:
June 1, 1953

M. G. Spinninger
Notary Public

STATE OF TEXAS
COUNTY OF TARRANT

On this 1st day of June, 1953, before me personally appeared HELEN MACHUGER, a widow, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that she executed the same as her free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year in this certificate first above written.

My Commission expires:
My Commission Expires June 1, 1953

Ruth Ragon Mayo
Notary Public
RUTH RAGON MAYO
Notary Public, Tarrant County, Texas

STATE OF TEXAS
COUNTY OF TARRANT

On this 2nd day of June, 1953, before me personally appeared F. O. SPILTON, to me personally known, who, being by me duly sworn did say that he is the Vice President and Trust Officer of the Fort Worth National Bank and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said F. O. SPILTON acknowledged said instrument to be the free act and deed of said corporation in its capacity as Executor and Trustee Under the Will of R. S. Magruder, deceased.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal on this the day and year first above written.

My Commission expires:

June 1, 1955

Ruth Ragon Mayo
Notary Public
RUTH RAGON MAYO
Notary Public, Tarrant County, Texas

STATE OF TEXAS
COUNTY OF TARRANT

On this 2nd day of June, 1953, before me personally appeared EMMA BARNETT, his wife, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year in this certificate first above written.

My Commission expires:

June 11, 1955

Emma Barnett
Notary Public

The foregoing Commitment Agreement approved this

11 day of June, 1953.

C. Walker
Commissioner of Public Lands
of State of New Mexico

STATE OF New Jersey
COUNTY OF Bergen

On this 21 day of May, 1953, before me personally appeared FRED J. BROTHERTON and MARION S. BROTHERTON, his wife, to me known to be the persons described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year in this certificate first above written.

Edgar Broome
Notary Public
NOTARY PUBLIC OF NEW JERSEY

My Commission expires:
MY COMM. EXPIRES
MARCH 23, 1954

STATE OF TEXAS
COUNTY OF Tarrant

On this 18th day of May, 1953, before me personally appeared LESLIE B. GARDNER and ANTOINETTE W. GARDNER, his wife, to me known to be the persons described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year in this certificate first above written.

M. G. Spinninger
Notary Public

My Commission expires:

June 1-1953

STATE OF TEXAS
COUNTY OF TARRANT

On this 18th day of May, 1953, before me personally appeared ELMER L. LOCKWOOD and FLORENCE LOCKWOOD, his wife, to me known to be the persons described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year in this certificate first above written.

M. G. Spinninger
Notary Public

My Commission expires:

June 1-1953

STATE OF TEXAS
COUNTY OF TARRANT

On this 18th day of May, 1953, before me personally appeared V. E. IRVIN and HELEN IRVIN, his wife, to me known to be the persons described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year in this certificate first above written.

M. G. Goppinger
Notary Public

My Commission expires:

June 1-1953

STATE OF TEXAS
COUNTY OF TARRANT

On this 18th day of May, 1953, before me personally appeared GEORGE A. MEIHAUS, JR. and MARGARET MEIHAUS, his wife, to me known to be the persons described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year in this certificate first above written.

M. G. Goppinger
Notary Public

My Commission expires:

June 1-1953

STATE OF TEXAS
COUNTY OF TARRANT

On this 18th day of May, 1953, before me personally appeared GUS LAYTON and DELIGHT LAYTON, his wife, to me known to be the persons described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year in this certificate first above written.

M. G. Goppinger
Notary Public

My Commission expires:

June 1-1953

APPROVAL - CERTIFICATION - DETERMINATION

Pursuant to the authority vested in the Secretary of the Interior under the act approved February 25, 1920, 41 Stat. 437, 30 U.S.C. secs. 181 et seq., as amended by the act of August 8, 1946, 60 Stat. 950, and delegated to the Director of the Geological Survey, pursuant to Departmental Order No. 2365 of October 8, 1947, 43 C.F.R. sec. 4.618, 12 C.F.R. 6784, I do hereby:

- A. Approve the attached communitization agreement covering the NE $\frac{1}{4}$ and Lot 1, Sec. 33, Twp. 28 S., R. 36 E., Lea County, New Mexico, in the West Dollarhide Pool as to all oil, gas and casinghead gas produced therefrom.
- B. Determine that the portion of the Federal leasehold committed to the attached agreement cannot be independently developed and operated in conformity with the accepted well-spacing pattern for the West Dollarhide Pool and that consummation of the agreement will be in the public interest.
- C. Certify and determine that the drilling, producing, rental, minimum royalty, and royalty requirements of the Federal lease committed to said agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of the agreement.

It is understood that this approval of the foregoing instrument does not constitute approval of any assignment, overriding royalty or oil payment not heretofore or hereafter approved by the Bureau of Land Management.

Dated JUL 20 1953, 1953.

Arthur H. Baker
Acting Director, United States
Geological Survey

EXHIBIT A

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE NO. 337
ORDER NO. R-144

THE APPLICATION OF R. S. MAGRUDER TO UNITIZE
FOR PRORATION AND PRODUCTION AND OPERATION
PURPOSES LOT 1 AND 2, SECTION 33, WITH THE
NE/4 NW/4 AND SE/4 NW/4 OF THE SAME SECTION
IN TOWNSHIP 24 SOUTH, RANGE 38 EAST, NMPM,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This matter came on for hearing at Santa Fe, New Mexico, at 10:00 a.m., January 22, 1952 before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this 11th day of April 1952, the Commission, a quorum being present, having considered the testimony adduced and the exhibits received at said hearing, and being otherwise fully advised in the premises,

FINDS:

(1) That due notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the NE/4 of Section 33, Township 24 South, Range 38 East, NMPM, Lea County, New Mexico, is composed of Lots 1 and 2, Lot 1 containing 7.21 acres and Lot 2 containing 7.24 acres.

(3) That the lots in question are near the defined limits of the West Dollarhide pool.

(4) That wells drilled on the lots in question would be entitled to only approximately 7/40 of the allowable assigned to a full 40 acre unit.

(5) That Gulf Oil Corporation holds by production State Oil and Gas Lease No. B-1732-1 covering, with other lands, the NE/4 NW/4 and the SE/4 NW/4, abutting said Lots 1 and 2, respectively, in said section; that by communitizing Lot 1 with the NE/4 NW/4 and Lot 2 with the SE/4 NW/4 two units approximating square quarter-quarter sections of 47.21 acres and 47.24 acres, respectively, could be had; that by such communitization waste could be prevented and correlative rights protected.

CASE NO. 337
ORDER NO. R-144

(6) That Lot 1 Section 33, Township 24 South, Range 37 East, NMPL, Lea County, New Mexico, because of its small size, should be unitized for the purposes of production and proration of oil with the normal drilling unit to the west, being the NE/4 NW/4 Section 33, Township 24 South, Range 38 East, NMPL.

(7) That Lot 2 Section 33, Township 24 South, Range 38 East, NMPL, Lea County, New Mexico, because of its small size should be unitized for the purpose of production and proration of oil with the normal drilling unit to the west, being the SE/4 NW/4 Section 33, Township 24 South, Range 37 East, NMPL.

IT IS THEREFORE ORDERED:

(1) That Lot 1 and the NE/4 NW/4 (comprising one unit of 47.21 acres) and Lot 2 and the SE/4 NW/4 (comprising one unit of 47.24 acres), Section 33, Township 24 South, Range 38 East, be, and the same hereby are respectively communitized for development and production of oil and gas, provided, however;

(a) That such communitization shall not become effective until and unless the applicant herein, or his successors in ownership, shall have filed in this office an agreement duly executed by himself and/or successors and the Gulf Oil Corporation, duly approved in writing by the Director of the U. S. Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

(b) That upon production being had upon either or both communitized tracts, the same shall be given allowable of 47/40 of the current top allowable assigned.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

EDWIN L. RECHER, Chairman

GUY SHEPARD, Member

R. R. SPURRIER, Secretary

SEAL

R. S. MAGRUDER
601 SINCLAIR BLDG. :: PHONE FANNIN 1487
FORT WORTH 2, TEXAS

December 17th, 1951.

Case 227

Oil Conservation Commission,
Santa Fe, New Mexico.,

Gentlemen:-

Att'n Mr. Jason Kellahin, Attorney
RE: Unitization of Lots 1 & 2, 24S-38E (Sec 33)

Reference is made to Mr. Kellahin's letter of November 26, above
subject:

I am hereby applying for a hearing in January, for the unitization of the above numbered Lots, 1 & 2, Sec 33, 24S, Range 38E, with the owner of the two 40 acre tracts of state lease immediately to the west, viz., NE $\frac{1}{4}$ NW $\frac{1}{4}$ & SE $\frac{1}{4}$ NW $\frac{1}{4}$ of the same section, which is owned by Gulf Oil Corporation.

Plat in triplicate is shown, and the addresses of the adjoining Companies for Cities Service Oil Company is Bartlesville, Okla., Gulf Oil Corporation, Ft. Worth, Texas., and Skelly Oil Company, Tulsa, 2, Okla.,

I hope that the enclosures are sufficient and I should like to be advised, that if and when the hearing is held, whether it will be necessary for me to be present.

I believe I have already written the reason for this hearing for an increased allowable., etc., namely the scarcity of pipe, the prevention of drilling unnecessary wells, etc.,

If any further information is desired from me, kindly advise.

Yours very truly,

RS Magruder

OIL CONSERVATION COMMISSION
SANTA FE, N.M.
DEC 19 1951
RECEIVED

A hand-drawn map of the Gulf of Mexico coastline, oriented with North at the top. The map is divided into sections by vertical and horizontal lines. Key features include:

- Top Section:**
 - Left: "29 Skelly" with a dot below it.
 - Center: "28 Gulf" with a dot below it.
 - Right: "0 G13", "G11 Cities Service", "15", "G10", and "29" (with a dot) are listed vertically.
- Middle Section:**
 - Left: "724 A" and "724 A. 32 Skelly" (with a dot) are written.
 - Center: "33 Gulf" (with a dot) is written.
 - Right: "Pura" (with a dot) and "16" (with a dot) are written.
- Bottom Section:**
 - Left: "0" (with a dot) is written.
 - Right: "NEW MEXICO" is written vertically along the coastline.
- Other Markings:**
 - On the far left, "0 #1" and "0 #2" are written next to horizontal lines.
 - A dashed line runs horizontally across the middle of the map.
 - A vertical line runs down the right side, labeled "NEW MEXICO".

• All Citizens Service

15

610

69

Pure

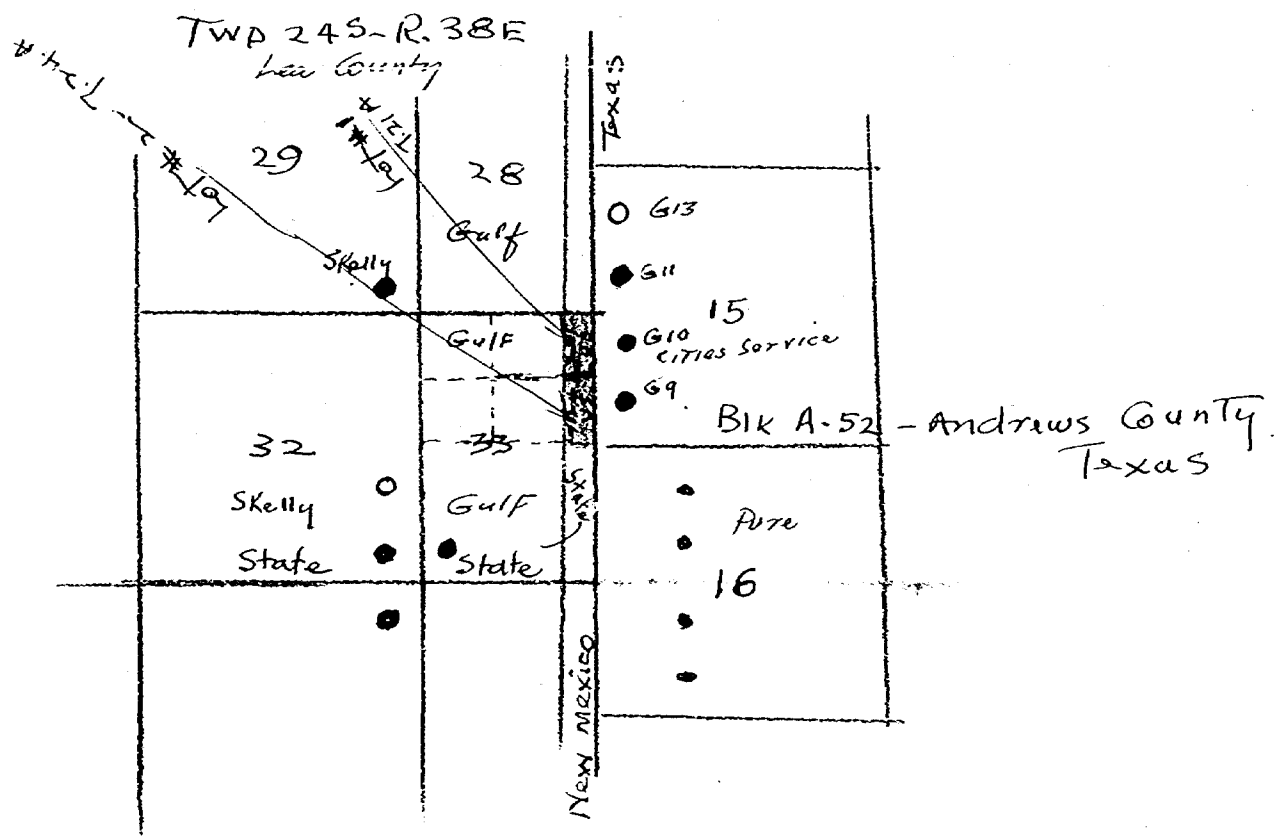
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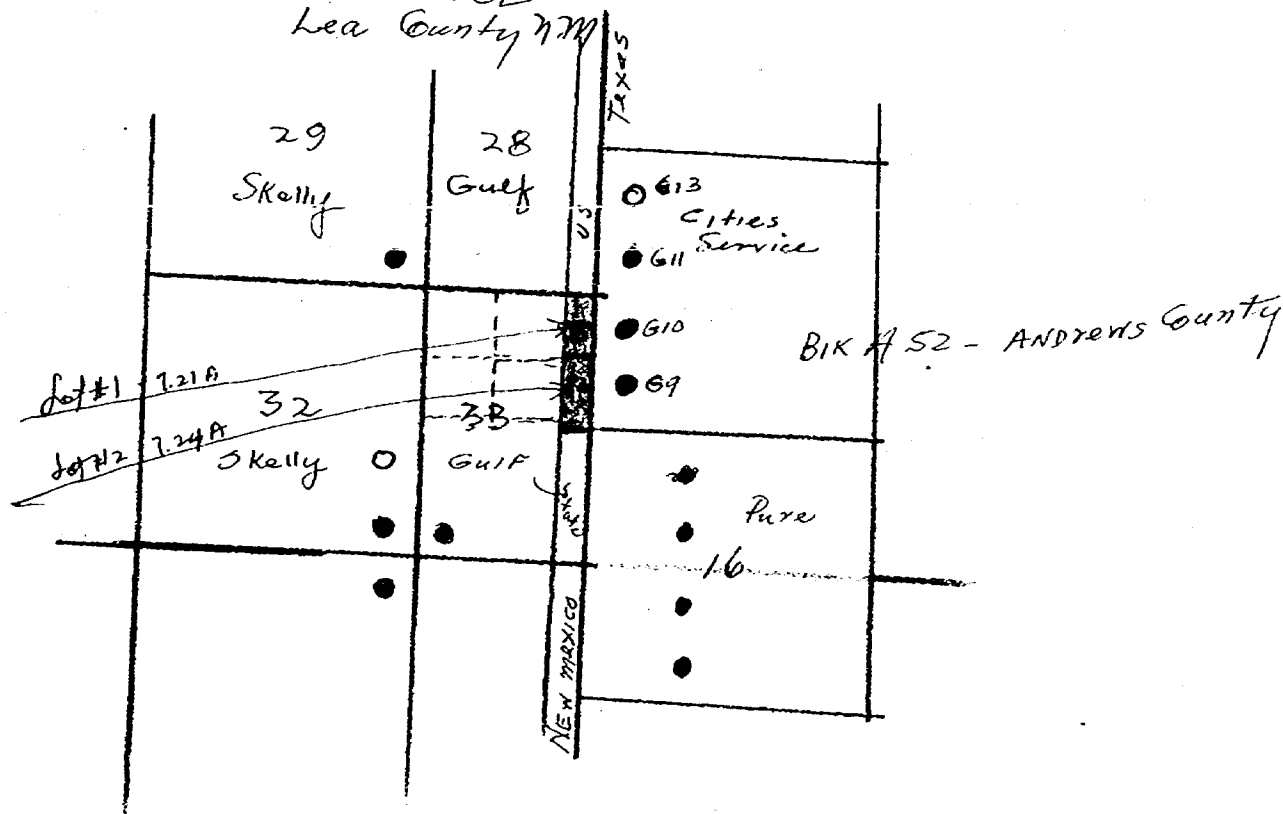
47.21 A

47.24

~~DNK~~ A52 ANDREWS County



Twp 24 S - R. 38 E
Lea County NM



BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE No. 337
ORDER No. R-144

THE APPLICATION OF R. S. MAGRUDER TO
UNITIZE FOR PRORATION AND PRODUCTION
AND OPERATION PURPOSES LOT 1 AND 2,
SECTION 33, WITH THE NE/4 NW/4 AND SE/4
NW/4 OF THE SAME SECTION IN TOWNSHIP 24
SOUTH, RANGE 38 EAST, NMPM, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This matter came on for hearing at Santa Fe, New Mexico, at
10:00 a.m., January 22, 1952 before the Oil Conservation Commission of
New Mexico, hereinafter referred to as the "Commission."

NOW, on this 11th day of April 1952, the Commission, a
quorum being present, having considered the testimony adduced and the
exhibits received at said hearing, and being otherwise fully advised in the
premises,

FINDS:

(1) That due notice having been given as required by law, the
Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the NE/4 of section 33, Township 24 South, Range 38 East,
NMPM, Lea County, New Mexico, is composed of Lots 1 and 2, Lot 1
containing 7.21 acres and Lot 2 containing 7.24 acres.

(3) That the lots in question are near the defined limits of the
West Dollarhide pool.

(4) That wells drilled on the lots in question would be entitled to
only approximately 7/40 of the allowable assigned to a full 40-acre unit.

(5) That Gulf Oil Corporation holds by production State Oil & Gas
Lease No. B-1732-1 covering, with other lands, the NE/4 NW/4 and the
SE/4 NW/4, abutting said Lots 1 and 2, respectively, in said section; that
by communitizing Lot 1 with the NE/4 NW/4 and Lot 2 with the SE/4 NW/4
two units approximating square quarter-quarter sections of 47.21 acres and
47.24 acres, respectively, could be had; that by such communitization waste
could be prevented and correlative rights protected.

(6) That Lot 1 section 33, Township 24 South, Range 37 East, NMPM,
Lea County, New Mexico, because of its small size, should be unitized for
the purposes of production and proration of oil with the normal drilling unit
to the west, being the NE/4 NW/4 section 33, Township 24 South, Range 38
East, NMPM.

(7) That Lot 2 section 33, Township 24 South, Range 38 East, NMPM, Lea County, New Mexico, because of its small size should be unitized for the purpose of production and proration of oil with the normal drilling unit to the west, being the SE/4 NW/4 section 33, Township 24 South, Range 38 East, NMPM

IT IS THEREFORE ORDERED:

(1) That Lot 1 and the NE/4 NW/4 (comprising one unit of 47.21 acres) and Lot 2 and the SE/4 NW/4 (comprising one unit of 47.24 acres), section 33, Township 24 South, Range 38 East, be, and the same hereby are respectively communitized for development and production of oil and gas, provided, however:

(a) That such communitization shall not become effective until and unless the applicant herein, or his successors in ownership, shall have filed in this office an agreement duly executed by himself and/or successors and the Gulf Oil Corporation, duly approved in writing by the Director of the U. S. Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

(b) That upon production being had upon either or both communitized tracts, the same shall be given allowable of 47/40 of the current top allowable assigned.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Edwin L. Mechem
EDWIN L. MECHEM, Chairman

Guy Shepard
GUY SHEPARD, Member

R. R. Spurrer
R. R. SPURRIER, Secretary

S E A L

OIL CONSERVATION COMMISSION

P. O. BOX 871
SANTA FE, NEW MEXICO

October 6, 1952

Mr. W. H. Slay, Jr.
1202 Oil and Gas Building
Ft. Worth, Texas

Dear Sir:

Reference is made to our telephone conversation of today concerning the allowable to be assigned the Gulf Oil Corp., No. 15, Leonard 'A' Well, Sect. 33, Tw. 24 S, R. 38 E, West Dollarhide - Devonian Pool, Lea County, N. M.

A check of our records reveals that this well was given an allowable of 159 barrels per day effective September 21, 1952. This allowable was computed by multiplying the basic per-well allowable in the West Dollarhide-Devonian Pool (135 bbls.) times 47/40, or 1.175. This allowable being based on Order R-144).

though the communitisation agreement between yourself and Gulf Oil Corp. has not been received by this office, it is recognized that an agreement of this type necessitates considerable time in preparation, and therefore the provisions of the order (Par. 1 A) temporarily waived.

Very truly yours,

W. B. Macey
Chief Engineer

A. L. Porter, Jr.
2045
S. M.

OIL CONSERVATION COMMISSION

P. O. BOX 871
SANTA FE, NEW MEXICO

October 6, 1952

C

Mr. W. H. Slay, jr.
1202 Oil and Gas Building
Ft. Worth, Texas

Dear Sir:

O

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P

A check of our records reveals that this well was given an allowable of 159 barrels per day effective September 21, 1952. This allowable was computed by multiplying the basic per-well allowable in the West Dollarhide-Devonian Pool (135 bbls.) times $47/40$, or 1.175. (This allowable being based on Order R-144).

Y

Although the communitization agreement between yourself and Gulf Oil Corp. has not been received by this office, it is recognized that an agreement of this type necessitates considerable time in preparation, and therefore the provisions of the order (Par. 1 A) are temporarily waived.

Very truly yours,

W. B. Macey
Chief Engineer

WBM:nr

cc: Mr. A. L. Porter, jr.
Box 2045
Hobbs, N. M.

Well File

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

RR 6 4/2
CASE NO. 337
ORDER NO. R-

proration
THE APPLICATION OF R.S. MAGRUDER TO
UNITIZE FOR PROPORTION AND PRODUCTION
AND OPERATION PURPOSES, LOT 1 AND 2,
SECTION 33, WITH THE NE/4NW/4 and SE/4 NW/4
of the SAME SECTION IN TOWNSHIP 24 SOUTH, RANGE 38
EAST, NMPM, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION

This matter came on for hearing at Santa Fe, New Mexico, at
10:00 A.M., January 22, 1952 before the Oil Conservation Commission
of New Mexico, hereinafter referred to as the "Commission".

NOW, on this _____ day of March 1952, the Commission, a quorum
being present, having considered the testimony adduced and the exhibits
received at said hearing, and being otherwise fully advised in the
premises,

FINDS: (1) That due notice having been given as required by law,
the Commission has jurisdiction of this cause and the subject matter
thereof.

(2) That the NE/4 of Section 33, Township 24 South, Range
38 East, NMPM, Lea County, New Mexico is composed of Lots 1 and 2, Lot
1 containing 7.21 acres and Lot 2 containing 7.24 acres. (*Federal Land*)

(3) That the lots in question are near the defined limits
of the West Dollarhide Pool.

(4) That wells drilled on the lots in question would
be entitled to only approximately 7/40 of the allowable assigned to
a full 40 acre unit.

~~(5) That waste would result from drilling on 7.21 and 7.24~~
~~acre tracts.~~
That Gulf Oil Corporation Road State Co. 6732-1
(6) That covering with other lands, the NE NW, and SE NW of Section 33
lots 1 and 2 in said section.
That by communitizing Lot 1 with NE NW, and Lot 2
with SE NW.

IT IS THEREFORE ORDERED

(1)
(6) That Lot 1, Section 33, Township 24 South, Range 38
East, NMPM, Lea County, New Mexico, because of its small size, should
be unitized, for the purposes of production and proration of oil,
with the normal drilling unit to the west, being the NE/4NW/4 Section
33, Township 24 South, Range 38 East, NMPM, ~~for the purpose of~~
~~unitization~~

(7) That Lot 2, Section 33, Township 24 South, Range 38
East, NMPM, Lea County, New Mexico, because of its small size should
be unitized, for the purpose of production and proration of oil, with
the normal drilling unit to the west, being the SE/4 NW/4 Section 33,
Township 24 South, Range 38 East, NMPM.

R. S. MAGRUDER
601 SINCLAIR BLDG. :: PHONE FANNIN 1487
FORT WORTH 2, TEXAS

October 29, 1951.

Oil Conservation Commission,
Santa Fe, New Mexico.,

US Oil & Gas Lease LC 069752
Lots 1 & 2, Twp 24S Range 38E
14.45 acres, Lea County, N.M.,

Gentlemen:-

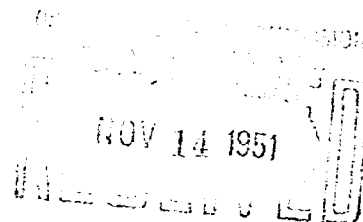
As lessee of the above, and at the suggestion of Mr. M. H. Soyster, District Engineer, U. S. G. S., Hobbs, New Mexico, his letter of October 15th, I am hereby making application for a hearing and for the communitizing of each of the above numbered lots, with each of two 40 acre tracts of state leases immediately to the west and being NE $\frac{1}{4}$ NW $\frac{1}{4}$ & SE $\frac{1}{4}$ NW $\frac{1}{4}$ of the same section, township and range, and for the provision of increased allowable based upon the amount of acreage in the communitized tracts as compared to a normal 40 acre tract. It is my understanding that such communitization would allow for the drilling of two wells on the state acreage and protect the U S acreage from drainage and also prevent the drilling of unnecessary wells.

I am sending to the Gulf Oil Corporation, Roswell, New Mexico, owner of the aforesaid NE $\frac{1}{4}$ NW $\frac{1}{4}$ & SE $\frac{1}{4}$ NW $\frac{1}{4}$ Sec 33, 24S-38E copy of this letter and also copy to Mr. Soyster of the U.S.G.S. at Hobbs, New Mexico.,

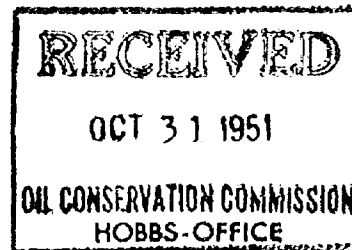
Yours very truly,

R S Magruder

The above is a copy of letter addressed to Oil Conservation Commission, Hobbs, New Mexico, as I was under the impression that the office was at Hobbs, and am duplicating it herewith in case it has not been forwarded to Santa Fe.



R. S. MAGRUDER
601 SINCLAIR BLDG. :: PHONE FANNIN 1487
FORT WORTH 2, TEXAS



October 29, 1951.

see rule 104(e)

Oil Conservation Commission,
Hobbs, New Mexico.,

US Oil & Gas Lease LC 069752
Lots 1 & 2, Sec 33, 24S-38E
14.45 acres, Lea County, N.M.,

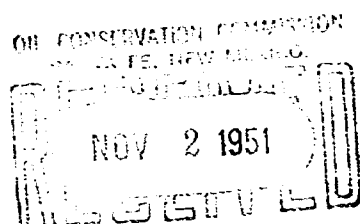
Gentlemen:-

As Lessee in the above, and, at the suggestion of Mr. M. H. Soyster, District Engineer, U. S. G. S., Hobbs, New Mexico, his letter of October 15, I am hereby making application for a hearing and for the communitizing of each of the above numbered lots, with each of two 40 acre tracts of State lease immediately to the west and being NE $\frac{1}{4}$ NW $\frac{1}{4}$ and SE $\frac{1}{4}$ NW $\frac{1}{4}$ of the same section, township and range, and for provision for increased allowable based on the amount of acreage in such communitized tracts as compared to a normal 40 acre tract. It is my understanding that such communitization would allow for the drilling of two wells on the state acreage and protect the U. S. acreage from drainage and also prevent the drilling of unnecessary wells.

I am sending to the Gulf Oil Corporation, Roswell, New Mexico., owner of the aforesaid NE $\frac{1}{4}$ NW $\frac{1}{4}$ & SE $\frac{1}{4}$ NW $\frac{1}{4}$ Sec 33, 24S-38E, copy of this letter and also copy to Mr. Soyster of the USGS at Hobbs, New Mexico.

Yours very truly,

R. S. Magruder



P. O. Box 1838
Hobbs, New Mexico

Case no.

October 15, 1951

Mr. R. S. Magruder
601 Sinclair Building
Fort Worth 2, Texas

Re: Las Cruces 069752

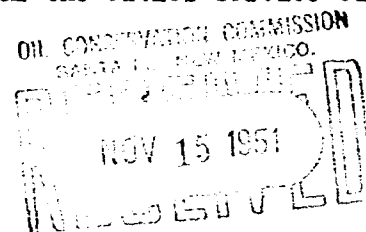
Dear Sir:

The records of this office show that you are the owner of the above described Federal lease embracing Lots 1 and 2, section 33, T. 24S, R. 38E, 14.45 acres in Lea County, New Mexico and that these lands are now subject to drainage of oil by dually completed oil wells No. G-9 and G-10 Cowden of Cities Service Oil Company located in the SW $\frac{1}{4}$ SW $\frac{1}{4}$ and NW $\frac{1}{4}$ SW $\frac{1}{4}$, section 15, Block A-52, P.S.L. Survey, Andrews County, Texas. Well No. G-9 is reported to have been completed April 29, 1951 in the Devonian formation for an initial production of 810 barrels of oil per day from the interval 7890-7935' and on May 13, 1951 in the Clearfork formation for an initial production of 468 barrels of oil per day from the interval 6535-6690'. Well No. G-10 is reported to have been completed July 9, 1951 in the Clearfork formation for an initial production of 864 barrels of oil per day from the interval 6608-6754', and on July 10, 1951 in the Devonian formation for an initial production of 1104 barrels of oil per day from the interval 8000-8035'.

Please inform this office within 15 days of the receipt of this letter of your intentions as to compliance with the provisions of the above numbered oil and gas lease and with the Oil and Gas Operating Regulations regarding protection of the leasehold from drainage.

In view of the smallness of the tracts involved, drilling of wells thereon may not be permitted in the absence of an acceptable showing that the Federal interests could not be adequately protected by communitizing the lots with the two 40-acre tracts immediately to the west. In the interest of the conservation of steel during the present emergency, such action would prevent the drilling of unnecessary wells.

It is suggested that you make application to the New Mexico Oil Conservation Commission for a hearing to provide for an increased allowable based on the acreage of such communitized tract compared to a normal 40-acre tract. This increased allowable would be the interest that you as lessee of Las Cruces 069752 would have in the two wells needed to be drilled in the E NW $\frac{1}{4}$, sec. 33 to protect that land as well as the subject lease from drainage by wells on the Cities Service Oil Company, Cowden lease.



October 15, 1951

Page 2

Communitization agreements in general should be limited to single drilling units, that is a 40-acre tract plus a small additional lot. However, if you prefer, this Department has no objection to receiving and submitting to Washington for consideration a single agreement including two such drilling units involving normal 40-acre tracts in the same legal quarter section plus the adjoining lots if both units are considered proven acreage and include land in the same Federal lease.

Very truly yours,

(Orig. Sgd.) M. H. Soyster

M. H. SOYSTER
District Engineer

MHSoyster:brj

cc. Roswell Office
Accounts

cc- Hunker 10-19-51

P. O. Box 997
Roswell, New Mexico

August 31, 1951

New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Texas Railroad Commission
Austin, Texas

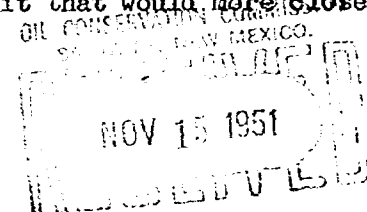
Gentlemen:

The United States of America owns the mineral rights to many lots as delineated by Public Land Surveys along the eastern portion of the State of New Mexico adjoining the state line between New Mexico and Texas. These lots extend usually one-fourth ($\frac{1}{4}$) mile north to south and vary in width from 58 feet to 1,759 feet east to west. The lots vary in size from as little as 2.12 acres to more than 55.00 acres. Federal oil and gas leases have been issued for most of these lots under the Mineral Leasing Act of February 25, 1920 (41 Stat. 437), as amended.

In the interest of conservation of oil and gas, and of limitation in use of steel during the present emergency, it is desirable that satisfactory arrangements be initiated to avoid drilling of unnecessary wells, and at the same time protect correlative rights and equities involved.

This subject was previously reviewed during an informal conference with members of the two State regulatory bodies in Midland, Texas, several years ago but no decisions were reached. As recent discoveries of oil and gas have been made in Texas at locations 660 feet or less from the state line, some of which locations offset Federal oil and gas leases, it is desirable that definite plans be formulated to cover drilling and proration matters affecting these Federal leases at the earliest practical date.

As a practical approach to this subject, it appears to this office that the Federal leases in New Mexico should be operated and developed consistent with the general practices of the industry within New Mexico, and so far as possible consistent with the rules and regulations of the New Mexico Oil Conservation Commission. To this end it would seem best that the smaller lots be communitized with the adjoining full 40-acre tracts to the west. Where the lots are of medium size, possibly from 20 to 30 acres, it may be desirable to communitize two of such lots for a drilling and proration unit that would more closely



-2-

approximate a normal 40-acre unit rather than to communitize such lots with the adjoining 40 acres and have an excessive amount of acreage comprise a drilling and proration unit. The larger lots could be considered as acceptable units for drilling purposes.

In all cases involving individual lots or communitized lots, it would seem proper that the proration allowable in New Mexico should be based on a factor being the ratio of the acreage of the lot or communitized tract to 40 acres, applied to the normal 40-acre allowable for the particular pool.

The difference in proration methods between the State of New Mexico and the State of Texas presents an additional problem. If legal and subject to reasonable administration, it would appear that a common oil and gas reservoir or pool embracing lands in the two states should be subject to the same proration rules and regulations. It has been suggested that if the pool or field is first discovered and developed in the State of New Mexico, that the extension into the State of Texas might be governed by the New Mexico proration schedules as adopted for that pool or field by the Texas Railroad Commission. Likewise, for a pool or field first discovered in the State of Texas and later extended into New Mexico, the New Mexico portion might be governed by applicable proration rules and regulations of the Texas Railroad Commission to be adopted by the New Mexico Oil Conservation Commission for that particular pool or field.

As we must take appropriate action to protect the Federal interests involved, this office suggests that the matter be given your earnest and early consideration, and that we be advised of your findings.

It may be desirable that the two State regulatory bodies hold a joint open hearing on the subject. Some informal discussions might also be informative and helpful. To this end I shall be glad to discuss the subject with representatives of both Commissions at any convenient place, having in mind either Santa Fe or Roswell, New Mexico, Midland or Austin, Texas.

Very truly yours,

FOSTER MORRELL
Oil and Gas Supervisor
Southwestern Region

cc: Hobbs
FMorrell:JMC

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

November 26, 1951

Mr. R. S. Magruder
601 Sinclair Building
Ft. Worth 2 - Texas

Dear Mr. Magruder: RE: Unitization of Lots 1 and 2, Sec. 33,
Twp. 24 South, Range 28 East, Lea County

Your letter of October 29, 1951, requesting a hearing on unitization of the above-numbered lots was referred to me to prepare an advertisement for hearing at our regular December meeting. It is not clear from your letter as to which of the lots would be unitized with which 40-acre tract. Although we could probably correct this deficiency here, and would be glad to do so, the petition has not been prepared in the form required by the Commission, and some essential information is missing.

We invite your attention to Commission Rule 104, sub-section (e), which provides that an application for an exception to a normal drilling unit shall be accompanied by a plat drawn to scale accurately showing the property on which the exception is sought, all completed wells on that and adjoining property, and the names and addresses of all adjoining lessees shall be shown in the application.

Your application should be prepared in the form of a petition and submitted in triplicate with the accompanying plat, as provided for by this rule. If received prior to our December 20 hearing, it will be possible to set this case for hearing in January.

Yours very truly,

Jason Kellahin, Attorney

JK:nr

C
O
P
Y

STATE OF NEW MEXICO
OFFICE OF STATE GEOLOGIST
SANTA FE, NEW MEXICO

January 2, 1952

C
O
P
Y

Mr. R. S. Magruder
601 Sinclair Building
Ft. Worth 2 - Texas

Dear Mr. Magruder: RE: Unitization of Lots 1 and 2, Sec. 33,
Twp. 24 South, Range 38 East, Lea County

We wish to advise that the above matter, as set out in your application of December 17, 1951, has been set for hearing before the Oil Commission at 10 a.m. January 22, 1952, Mabry Hall (State Capitol), Santa Fe, New Mexico.

It has been designated as Case 337, and legally advertised for the described hearing.

Very truly yours,

R. R. Spurrier
Secretary - Director

RRS:nr

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

April 23, 1952

C
O
P
Y

Mr. R. S. Magruder
601 Sinclair Building
Ft. Worth 2 - Texas

Dear Mr. Magruder:

We enclose signed copy of Oil Conservation Commission
Order R-144 issued in Case 337, which you initiated.

In line with information furnished by you in your letter
of February 2, 1952, copy of the order is also being sent
to the present holder of the lease involved, Mr. J. H.
Snowden, 750 West 5th Street, Fort Worth, Texas, to whose
attention we call Paragraph 1-a under the clause IT IS
THEREFORE ORDERED.

Very truly yours,

W. B. Macey
Chief Engineer

WBM:mr

cc: Mr. J. H. Snowden

Case 337

R. S. MAGRUDER
601 SINCLAIR BLDG. :: PHONE FANNIN 1487
FORT WORTH 2, TEXAS

February 2, 1952.

Oil Conservation Commission,
Santa Fe, New Mexico.,

US Lease LC 069752
Case #337, January 22nd, hearing
Lots 1 & 2, Sec 33, 24S-38E
Lea County, New Mexico.

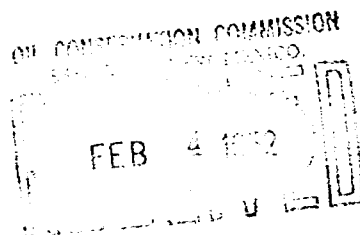
Gentlemen:-

In connection with the above, this is to advise you, I have
assigned the above lease to J. H. Snowden, 750 W 5th St, Fort Worth, Texas,,
and have furnished Mr. Snowden with all correspondence from your Commission
and from the U.S.G.S., in connection with the case.

I feel sure that Mr. Snowden will cooperate with you fully in
any future matters that may come up concerning the case.

Yours very truly,

RS Magruder



Case 337

um

ATWOOD, MALONE & CAMPBELL
LAWYERS

JEFF D. ATWOOD
ROSS L. MALONE, JR.
JACK M. CAMPBELL

CHARLES F. MALONE

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

J.P. WHITE BUILDING
ROSWELL, NEW MEXICO

APR 7 1952

April 4, 1952

Mr. W. B. Macy,
Chief Engineer,
Oil Conservation Commission,
Santa Fe, New Mexico.

Dear Bill:

I am returning the composed order in Case No. 337. There is only one suggestion, which is certainly a minor one. In connection with the last paragraph you referred to the approval of the communitization by the Oil and Gas Supervisor of the U.S.C.S. This approval should technically be by the Director and it may be that you will want to change the words "Oil and Gas Supervisor" to "Director". Otherwise, I think the order is well drawn and will adequately cover the situation.

I am in the process of preparing a communitization agreement at this time and I will appreciate the early issuance of this order if such is practical.

Thanking you for your assistance, and with kindest personal regards, I am

Very truly yours,

Jack M. Campbell

JMC:h1

Encl.