

Casa No.

1317

Application, Transcript,
Small Exhibits, Etc.

CASE 1317: Sunray Mid-Continent Oil Co.
application for 320-acre non-standard gas
proration unit, Jalmat Gas Pool, & forced
pooling of all interests within Jalmat Gas Pool.

Cont.

BEFORE THE
OIL CONSERVATION COMMISSION
OCTOBER 4, 1957

IN THE MATTER OF:

Application of Sunray Mid-Continent Oil Company
for approval of a 320-acre non-standard gas
proration unit in the Jalmat Gas Pool, Lea
County, New Mexico and for the forced pooling
of all interests therein within the vertical
limits of the Jalmat Gas Pool.

Case No.
1317

T R A N S C R I P T O F H E A R I N G

October 4, 1957

DEARNLEY - MEIER & ASSOCIATES
INCORPORATED
GENERAL LAW REPORTERS
ALBUQUERQUE, NEW MEXICO
3-6691 5-9546

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BEFORE THE
OIL CONSERVATION COMMISSION
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IN THE MATTER OF:

Application of Sunray Mid-Continent Oil Company
for approval of a 320-acre non-standard gas
proration unit in the Jalmat Gas Pool, Lea
County, New Mexico and for the forced pooling
of all interests therein within the vertical
limits of the Jalmat Gas Pool. Applicant, in
the above-styled cause, seeks an order estab-
lishing a 320-acre non-standard gas proration
unit in the Jalmat Gas Pool consisting of the
NE/4 of Section 20, and the NW/4 of Section 21
of Township 22 South, Range 36 East, Lea County,
New Mexico, said unit to be dedicated to the
applicant's Greer No. 2 Well located in the
NW/4 NW/4 of said Section 21. Applicant further
requests the forced pooling of the interests of
all persons within the vertical limits of the
Jalmat Gas Pool underlying the above-described
acreage.

Case No.
1317

Mabry Hall, State Capitol
Santa Fe, New Mexico

Pursuant to notice, the above-entitled matter came on
for hearing at 9:00 A. M.

BEFORE:

Mr. Elvis A. Utz, Examiner.

T R A N S C R I P T O F H E A R I N G

EXAMINER UTZ: The hearing will come to order. First on
the Docket will be Case 1317.

MR. COOLEY: Case 1317: (Readvertisement) Application
of Sunray Mid-Continent Oil Company for approval of a 320-acre
non-standard gas proration unit in the Jalmat Gas Pool, Lea County,

DEARNLEY, MEIER & ASSOCIATES
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New Mexico and for the forced pooling of all interests therein within the vertical limits of the Jalmat Gas Pool.

MR. WHITE: If the Commission please, I am L. C. White, Santa Fe, New Mexico, appearing on behalf of the Applicant, Sunray Mid-Continent. At this time, I would like to file for the record an affidavit of Burns Errebo certifying he's mailed notice of the application to all the royalty owners of interest within the three hundred twenty-acre tract.

MR. COOLEY: Mr. White, that affidavit will be identified as Exhibit One in Case 1317.

MR. WHITE: We move for it's admission at this time.

EXAMINER UTZ: Without objection it will be admitted.

(Whereupon Sunray's Exhibit No. 1 was marked for identification.)

EXAMINER UTZ: Any witnesses?

MR. WHITE: This is the only one.

MR. COOLEY: Any other appearances in this case? Would you stand and be sworn, please?

(Whereupon the witness was sworn.)

D O N A L D E. H A L L

called as a witness, having been first duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. WHITE:

Q Mr. Hall, will you state your full name for the record, please?

A Donald E. Hall.

Q Where do you reside, Mr. Hall?

A Midland, Texas.

Q By whom are you employed, and in what capacity?

A Sunray Mid-Continent Oil Company as a Senior Staff Engineer.

Q Mr. Hall, are you familiar with the application of Sunray Mid Continent in this hearing this morning?

A Yes, sir.

(Sunray's Exhibits No. 2 and No. 3 were marked for identification.)

Q I'll ask you to refer to Exhibit Two and explain to the Commission the purpose of the exhibit and what it portrays?

A This exhibit is a section of the Jalmat Gas Pool, shaded in yellow are Boren and Greer leases, which is the acreage that we are attempting to unitize.

Q Is the applicant the owner and operator of these two leases?

A Yes, sir. It also shows the surrounding gas wells which are circled in blue, and the acreage that is allotted to these units is circled in red with the number of acres shown on each unit.

Q That is dedicated to each one?

A Dedicated to each unit, yes, sir. Also, I have surrounding--shown by a blue line connecting a number of the gas wells surrounding our lease, is a cross section or diagrammatic section which I will refer to on Exhibit Three.

Q Now, will you refer to Exhibit Three and state to the Commission what that diagram shows?

A Exhibit Three is a diagrammatic section of the wells surrounding our Boren and Greer leases in the Jalmat Gas Pool. I have shown the perforations of the wells that surround our lease, where they have been perforated.

This exhibit is to show that the porosity sections are continuous throughout this area. These, the red shaded areas, are just three of the better sand stringers in the zone.

Q Does this exhibit show the continuity--

MR. COOLEY: (Interrupting) Mr. White, may I interrupt, please? We went on without finding the witness as an expert. I thought he wasn't going to testify as an expert. However, this log, as appears on Exhibit Three, I believe, would require the services and knowledge of an expert witness. Would you, at this time, qualify Mr. Hall as an expert geologist?

Q (By Mr. White) Would you state your professional qualifications and education, Mr. Hall?

A I graduated from the University of Oklahoma as a petroleum engineer. I have worked for Sunray Mid-Continent in the capacity of a petroleum engineer for approximately ten years, on the Gulf Coast and in the Permian Basin.

Q Has this area here been under your jurisdiction as well?

A Yes.

Q Have you previously testified before the Commission?

A Yes, sir.

MR. WHITE: We ask his prior qualifications be received.

EXAMINER UTZ: Qualifications are accepted. Continue.

Q (By Mr. White) You may continue, Mr. Hall. I think the last question was whether or not this exhibit shows there's continuity of sand throughout the area.

A Yes. Sand sections show very similar in each of these logs.

Q And did you say the permeability is good or not, and if so, what is your basis for that statement?

A The--I have no figures on the permeability. I would say it is sufficient to drain considerable acres, in excess of three hundred and twenty acres.

Q Would you say that the permeability is good as reflected by the open flow potentials?

A Yes.

Q And is porosity continuous throughout?

A The porosity is continuous throughout in almost all the sections.

Q Now, referring to Exhibit "A", attached to the application, will you state what well you intend to recomplete into the gas field?

A Exhibit "A"?

Q That's attached to the application.

A It is Greer No. 2. H. D. Greer No. 2.

Q In Section 21?

A In Section 21, it is six hundred sixty from the north and west lines of Section 21.

Q Now, do you have any core analysis or log of that well?

A No, sir.

Q Do you have any reason to believe that it would not be similar to that as portrayed in Exhibit No. 2?

A No, sir. We do have a log on Greer No. 1,--

Q (Interrupting) That's Exhibit No. 3, pardon me.

A (Continuing) We do have a log on Greer No. 1 which is the closest well to the proposed gas well, and it showed a section very similar to the sections and the surrounding gas wells.

Q Now, according to Exhibit "A", that's attached to the application, four wells in Section--in the northwest of Section 21, and two wells in the northeast quarter of Section 20. Are those producing wells?

A They have all been producing wells from the South Eunice Pool of Seven Rivers Section. Right now, No. 2 has been temporarily abandoned because it was producing a hundred percent water.

Q Now, will you state to the Commission how you propose to recomplete this Well No. 2?

A We intend to set a bridge plug below the gas zone, dump some cement on top of it, perforate the different gas stringers, and frack them and treat it as a gas well.

Q From your studies, is it your opinion that if this well is recompleted in the Jalmat Gas Pool, it would be able to make an allowable attributable to a 320-acre unit?

A Yes, sir.

Q Now, is the No. 2 Well a commercial well at the present time?

A No, sir. From the South Eunice Pool, it isn't.

Q Would it be possible to unitize with any other acreage

other than the northeast quarter of Section 20?

A No, sir. The surrounding acreage is unitized in that section, unitized in the section to the north, and the only logical acreage to unitize with is the acreage, northeast quarter of Section 20.

(Sunray's Exhibit No. 4 was marked for identification.)

Q I direct your attention to what's been marked Exhibit No. 4, and ask you to state the purpose of this exhibit?

A Exhibit No. 4 shows the gas production in the two sections that the Boren and Greer leases lie within, and in, from each, the gas wells and the surrounding sections of this, that's Section 20 or 21. They include Sections 15, 16, 17, 18, 19, 20, 21, 22, 27, 28, 29, and 30, all in Township 22 South, Range 36 East.

Q Does this exhibit show that each of these wells which have been dedicated three hundred or more acres, are capable of making their allowables?

A Yes, sir. I show on this exhibit, the operator, the well, the acreage dedicated to that well, the unit designation and section of each well, the 1956 gas production and the gas production from January through July of 1957.

Q Now, turning to the economics involved, Mr. Hall, approximately how much do you anticipate the cost to be to plug back your Greer No. 2 and complete it as a gas well?

A Approximately eleven thousand dollars.

Q Now, if you were to complete that as you state you would like, and then were to go into the northeast quarter of Section

20, and convert or dually complete your Boren Well No. 1 or 2, what would the cost of that be?

A Approximately thirteen thousand dollars.

Q Making a total cost of twenty-five thousand, or twenty-four thousand, approximately?

A Yes.

Q And if the application is granted, then there would be a saving of approximately thirteen thousand dollars?

A Yes, sir.

Q To recover the same amount of gas?

A To recover the same amount of gas.

Q Mr. Hall, what attempt has been made to work out a pooling agreement with the various royalty interests?

A We started as early as March of 1957, to unitize this, or to make a pooling agreement which would unitize Boren and Greer leases, we have circulated this pooling agreement form by letter and other means, we have been very successful in obtaining pooling of this acreage, thirty-two of the royalty owners representing seventy-five point seventy-six percent of the acreage within the proposed unit, have signed the pooling agreement.

MR. WHITE: Will you mark that, please?

(Sunray's Exhibits No. 5 and No. 6 were marked for identification.)

Q (By Mr. White) Mr. Hall, I hand you here what's been marked as Exhibit No. 5 and ask whether or not that is the pooling agreement that's been circulated?

A Yes, sir.

Q And I hand you here what's been marked Exhibit No. 6 and ask you to state what that is?

A Exhibit No. 6 is a royalty ownership list. It shows the royalty owners, the acres that each royalty owner has, and it shows the percent of, under the Boren lease, that the royalty owners have an interest in, and under, the percent that the royalty owners have in the Greer lease.

MR. WHITE: If the Commission please, I might state that, as the witness testified, there was seventy-five point seventy-six percent of the total acreage signed up. There are nine royalty owners which includes the Gloyd's Estate as one royalty owner that has not signed up.

We have correspondence that we can introduce in the record, the originals. We request that we can substitute copies of them.

I might state, of the total number of royalty owners, there are three of them whose addresses are unknown; two of the owners are agreeable to signing up the pooling agreement if we first obtain a unit allowable for three hundred twenty acres. That's sort of putting the cart before the horse.

Another royalty owner is willing to sign up if we were to release our rights to our formation below the Yates. So we are not accepting that one.

As to the Gloyd's Estate, they are objecting to the drainage of the offsetting wells in Section 21. However, according to our correspondence, they have neither objected to or concurred in the pooling agreement.

The other remaining royalty owner that's not signed up, is

actually signed up, but he deleted the words, "distillate or condensate", and substituted "dry gas", so we wouldn't accept that as being signed up.

So, in effect, why, we do have a very high percentage of the royalty owners signed up. And, if the Commission desires, we can introduce letters verifying this statement, if you wish.

MR. COOLEY: Yes, please, Mr. White, and with the reservation earlier made that you may withdraw the originals and substitute copies thereof. You want to introduce them as a group?

MR. WHITE: Yes, sir. I thought it might be better not to read them in the record, a resume as to what they did say.

Q (By Mr. White) Mr. Hall, in your opinion, would this application, if granted, prevent waste and protect correlative rights?

A Yes, sir.

MR. WHITE: We have no further questions.

EXAMINER UTZ: Are there any questions of Mr. Hall?

MR. COOLEY: I have a few.

EXAMINATION

BY MR. COOLEY:

Q I believe it's Exhibit Six, Mr. Hall, that shows the breakdown on the various leases, percentage of royalty owners that have signed up?

A Yes, sir.

Q Would you tell me what the percentage is in the Boren

lease, and about what the percentage is in the Greer lease?
Did you have that total?

A I can give it to you. Let's see.

MR. WHITE: We might go through, I might suggest we go through this and show which ones have not signed.

MR. COOLEY: That would be satisfactory.

MR. WHITE: Gloyd Estate.

A Would you like to have that--

MR. WHITE: (Interrupting) Yes, the Gloyd Estate. That would be the Greer. Wilson, two and a half acres. He'll sign up if we first get our three hundred and twenty allowable.

EXAMINER UTZ: By two and a half acres, you mean royalty acres.

MR. COOLEY: These interests are all undivided interests, are they not?

MR. WHITE: That's right. Then, Hoffman and Owings. Owings, apparently that's a partnership and they each have a one point two four. And the last four on the list, of which the addresses of the last three are unknown.

MR. COOLEY: Bedford, Dore, Pryett and Jones Estate.

MR. WHITE: They have not signed up. We haven't heard from Bedford and the addresses of the last three are unknown.

Q (By Mr. Cooley) Now, back to my original question, the Gloyds have an interest in the Greer tract?

A Yes, sir, .028 plus.

Q Wilson, Hoffman and Owings are in the Boren tract?

A Yes, sir.

Q Bedford, Dore, Pryett and Jones in the Greer tract?

A Yes, sir. You skipped one, Southern Minerals Corporation, in the Greer tract on the first one. Second from the bottom.

Q What has been the response from Southern Minerals Corporation?

A They were the ones that deleted the, "condensate and distillate", from the pooling agreement. They signed it though, leaving out those two words. Those two words were on pages two and three of the pooling agreement.

Q Marked Exhibit Five?

A Marked Exhibit Five, yes.

Q Is the Boren lease presently held by production?

A Yes, sir.

Q Would you state what productions are being presently obtained from the Boren lease?

A The Boren lease has two wells, producing from the Seven Rivers, the oil colony of Seven Rivers, but production is very small. I think it's in the neighborhood of three barrels a day per well. I'm not--

Q (Interrupting) Is that production from within the vertical limits of the Jalmat Pool?

A No, that production was in the vertical limits of the South Eunice Pool. The oil wells are in the South Eunice; the gas wells are in the Jalmat Gas Pool.

Q And even if this application were denied, the Boren lease would not be lost for lack of production?

A No, sir.

MR. COOLEY: That's all the questions I have, Mr. Examiner.

MR. WHITE: We move for the admission of Exhibits Two through Six.

EXAMINER UTZ: Is there any objection to the entrance of the Sunray Exhibits Two through Six? If there are no objections, they will be accepted.

(Whereupon Sunray's Exhibits No. 2 through No. 6 were accepted in evidence.)

EXAMINATION

BY EXAMINER UTZ:

Q Mr. Hall, I would like to go into this proposition of whether or not this well, the possibilities of whether this well will be able to make it's allowable or not. If the well will be able to make it's normal allowable, 320-acre allowable, in the Jalmat Gas Pool, can you say whether or not any royalty interest would be hurt by being forced into this communitization?

A You say if they did--if this well would not make it's three hundred--

Q (Interrupting) If it will make it--

A (Interrupting) No, sir.

Q They will not be injured in any way, is that your answer?

A No, sir. No, sir, I don't see how.

Q Now, you base your premise as to whether or not this well will be able to make a 320-acre allowable on the details of Exhibit No. 4, the production from the offset wells?

A Yes, sir. Along with the way the wells were completed.

I did not go through this, these production figures in detail. Immediately above our lease the Ohio MacDonald No. 6, I believe that is shown here as the Ohio Jalmat Gas Unit No. 6, now. That well is capable of--well, during the month of February, 1957, it produced forty-two million cubic feet of gas, showing that it's capable of producing considerable gas. I believe the present allowable for a hundred sixty acre well is in the neighborhood of sixteen million a month now, which, that would be considerably over twice that for a three hundred and twenty acre unit.

Q Did you say sixteen million a month for a hundred sixty acre well?

A Yes, which is approximately thirty-two million a month. I believe that would probably average out a little less, about sixteen million a month, won't it?

Q Can you say how far the MacDonald No. 6 is from your proposed recompletion, your Greer No. 2?

A It would be the diagonal of a thirteen hundred and twenty foot square with thirteen hundred twenty foot sides. I don't recall exactly what that is now.

Q It would be in the neighborhood of fifteen hundred feet, wouldn't it?

A Feet, yes.

Q And that is the nearest well to your Greer No. 2?

A That is--

Q (Interrupting) Nearest the Jalmat?

A Nearest Jalmat Gas Well to the Greer No. 2.

Q Can you say what the structural position is between your

MacDonald No. 6 and your No. 2, is it up-dip, down-dip or--

A (Interrupting) This is not a structural cross section, it's just a diagrammatic section, it is practically level. I don't believe that structure would influence production from these wells, but I would say they are within fifteen, twenty feet, main level.

Q Now, to the south of your, south offset of the Greer lease I believe we have the Gulf Greer No. 1?

A Yes, sir.

Q That well has a hundred sixty acres dedicated to it?

A Yes, sir.

Q And do you know what the proration status of that well is?

A Oh, I'm sure that it is--I don't know how far ahead on production it is, but during the last, well, from February through July, it has produced in excess of thirty million cubic feet per month.

Q And the three hundred twenty acre allowable would be about thirty-two million a month?

A Yes, sir. This has produced as much as forty, close to forty-five million a month.

Q Well, it looks as though the Gulf No. 1 Greer is a non-marginal well, capable of making a three hundred twenty acre allowable, is it not?

A Yes, sir.

Q There being two non-marginal wells, one to the south offset, and one north offset, capable of making a three hundred twenty acre allowable, what would be your opinion as to the kind

of a well you would get by recompleting your Greer No. 2?

A I believe that our Greer No. 2 would be as good as either of these wells, possibly with the new methods of fracturing in large volumn fract treatments, it would be a better well.

Q Mr. Hall, would you locate your Greer No. 2 in relation to the boundary lines of the proposed unit?

A Greer No. 2 is located six hundred and sixty from the north line of Section 21, that is the north line of the proposed unit. It's located 1980 from the east line of the proposed unit. 1980 from the south line of the proposed unit, and 2640 from the west line of the proposed unit. Is that right? No, I'm sorry, 3300 from the west line of the proposed unit. In other words, it has a normal location of 660 out of the northwest corner of the Greer lease. These are normal quarter sections.

Q And the MacDonald No. 6 to the north is also a 660 - 1980 location from the unit lines?

A I'm pretty sure that is right, yes, sir.

MR. COOLEY: Check on your plat there.

A Yes, sir. It is 1980 from the west line, 660 from the south line of Section 16.

Q (By Examiner Utz) How many acres are dedicated to the MacDonald No. 6?

A The records show five hundred and twenty acres allotted, designated to the MacDonald No. 6, and the MacDonald 25. I believe those are called Jalmat Gas Unit No. 6, Jalmat Gas Unit No. 5. Now, recently, they had a hearing to allot two more forties to that. I don't know if that has been approved or not.

MR. COOLEY: That was Case No. 1206 before the Commission. It has been.

A That would be six hundred acres allotted to those two wells.

EXAMINER UTZ: Are there any other questions of the witness? The witness may be excused.

(Witness excused.)

EXAMINER UTZ: Would you ^{Offer} ~~introduce~~ your exhibits?

MR. WHITE: All except these letters verifying those statements. I can either have those verifaxed or we can submit them and have them returned to us at a later date.

MR. COOLEY: You would have no way to make copies of them if we had them.

MR. WHITE: I could have them verifaxed at the office and bring them back to you.

MR. COOLEY: How many letters in total? Introduce them as a group and--

MR. WHITE: (Interrupting) Four letters. One is from Mr. Wilson, others from Lytle, Johnston and Soule, in regard to the Gloyd Estate, and our reply to the Southern Minerals Corporation, and a letter from Charles Hoffman in regard to the Hoffman, Owings interest. You may have the copies of that with this.

MR. COOLEY: Identify those four letters as a group of exhibits, as No. 7 in this case. And--

MR. WHITE: (Interrupting) We'll offer them in evidence with the request that we can withdraw them and substitute copies.

EXAMINER UTZ: Without objection, they will be accepted.

(Whereupon Sunray's Exhibit No. 7 was marked for identification and accepted in evidence.)

MR. WHITE: That concludes our case.

EXAMINER UTZ: Any other statements in this case?

MR. COOLEY: Yes, Mr. Examiner, there are. The New Mexico Oil Conservation Commission has received four pieces of correspondence from royalty owners within the proposed non-standard proration unit, objecting to the forced pooling of their interests in this case.

First correspondence was received from John H. Wilson who is a royalty owner in the Boren lease. The next objection is from Charles J. Hoffman, who is a royalty owner under the Boren lease. The next correspondence is from Lytle, Johnston and Soule representing the S. M. Gloyd Estate. With respect to this correspondence, I notice that there's no objection as such contained therein.

I shall read this letter. It is quite short. "Gentlemen: As a royalty owner, our client is vitally interested in the caption and application, and we should, therefore, very much appreciate your notifying us of the date this application has been set for hearing. We should also appreciate your advising us if you know of the names and addresses of any interested owners who have indicated their intentions or desires to contest the application."

And the last piece of correspondence is from Roger B. Owings who is also a royalty owner under the Boren lease, objecting to the forcible unitization of this tract. That concludes all the appearances by letter, Mr. Examiner.

EXAMINER UTZ: Anyone have any objection to entering these

without complete reading?

MR. WHITE: We have no objection.

EXAMINER UTZ: Are there any other statements pertaining to this case? That is completed, so we'll proceed to the next case.

REPORTER'S CERTIFICATE

STATE OF NEW MEXICO)
 :
 COUNTY OF BERNALILLO) ss

I, MARYANNA MEIER, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me in Stenotype and reduced to typewritten transcript by me and/or under my personal supervision; that same is a true and correct record to the best of my knowledge, skill and ability.

WITNESS my Hand and Seal, this, the 17th day of October, 1957, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

Maryanna Meier
 Notary Public

My Commission Expires:
 April 8, 1960

I do hereby certify that the foregoing is
 a complete record of the proceedings in
 the Examining Board of Case No. 1347
 heard by me on Oct. 9, 1957.

[Signature] Examiner
 New Mexico Oil Conservation Commission

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

September 24, 1957

IN THE MATTER OF
CASE NO. 1317

TRANSCRIPT OF PROCEEDINGS

DEARNLEY, MEIER & ASSOCIATES
INCORPORATED
GENERAL LAW REPORTERS
ALBUQUERQUE, NEW MEXICO
3-6691 3-9546

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
September 24, 1957

IN THE MATTER OF:

Application of Sunray Mid-Continent Oil
Company for approval of a 320-acre non-
standard gas proration unit in the Jalmat
Gas Pool, Lea County, New Mexico and for
the forced pooling of all interests
therein within the vertical limits of the
Jalmat Gas Pool. Applicant, in the above-
styled cause, seeks an order establishing
a 320-acre non-standard gas proration unit
in the Jalmat Gas Pool consisting of the
NE/4 of Section 20, and the NW/4 of Section
21 of Township 20 South, Range 36 East,
Lea County, New Mexico, said unit to be
dedicated to the applicant's Greer No. 2
Well located in the NW/4 NW/4 of said
Section 21. Applicant further requests
the forced pooling of the interests of
all persons within the vertical limits of
the Jalmat Gas Pool underlying the above-
described acreage.

CASE NO.

1317

BEFORE:

Daniel S. Nutter, Examiner.

TRANSCRIPT OF HEARING

MR. NUTTER: The next case will be Case No. 1317.

MR. COOLEY: Case No. 1317. Application of Sunray Mid-
Continent Oil Company for approval of a 320-acre non-standard
gas proration unit in the Jalmat Gas Pool, Lea County, New
Mexico and for the forced pooling of all interests therein within
the vertical limits of the Jalmat Gas Pool.

MR. COOLEY: Mr. Examiner, this case was advertised for

this hearing with the legal description of the acreage as follows:

Consisting of the Northeast Quarter of Section 20, in the North West Quarter of Section 21, Township 20 South, Range 36 East, Lea County, New Mexico. It appearing to the Commission that the acreage is actually located in Township 22 South requests that the case be dismissed from this hearing in that it has been advertised incorrectly and I might add to be heard on October 4th.

MR. NUTTER: Case No. 1317 will be dismissed and will be heard on October 4, 1957.

C E R T I F I C A T E

STATE OF NEW MEXICO)

: ss

COUNTY OF BERNALILLO)

I, J. A. TRUJILLO, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing was reported by me in Stenotype at the time and place hereinbefore set forth; that same was thereafter transcribed into typewritten transcript by me; and that same is a true and correct record to the best of my knowledge, skill, and ability.

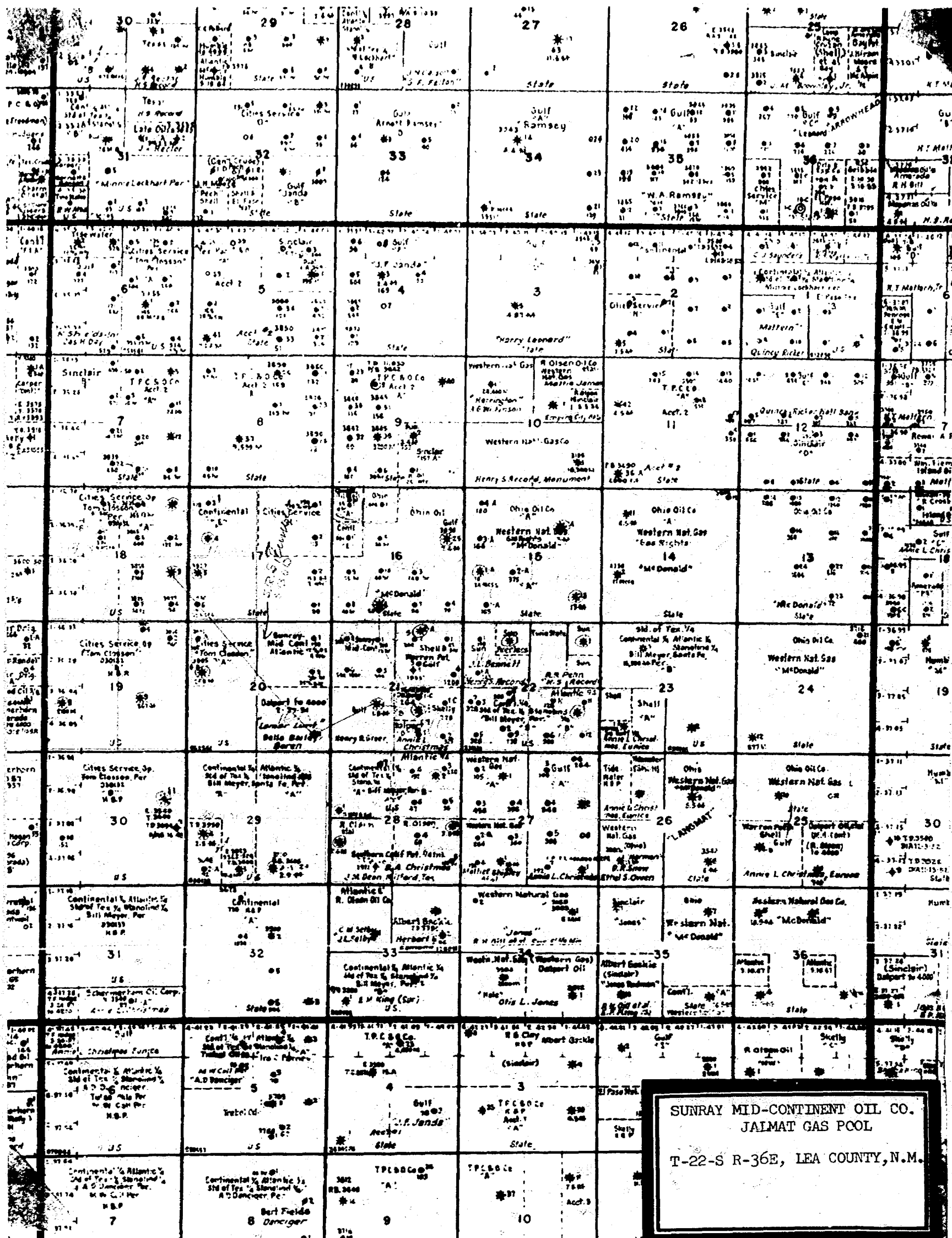
WITNESS my Hand and Seal this, the 30th day of September, 1957, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

J. A. Trujillo
NOTARY PUBLIC

My Commission Expires:
October 5, 1960.

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 1317
heard by me on 9-24, 1957.

Samuel J. [Signature], Examiner
New Mexico Oil Conservation Commission



GAS PRODUCTION IN SECTION OF JALMAT GAS POOL - MCF

Well	Acre	Unit & Sec.	1956	1957						
				Jan.	Feb.	Mar.	Apr.	May	June	July
Cities Service Closson B-6	160	E-20 <i>Wing</i>	75904	5567	5034	5036	5206	5352	5120	5134
Cities Service Closson B-8	307	L-19	197530	35564	31536	34333	31886	32384	30234	30228
Cities Service Closson B-9	320	J-19	43621	25142	20892	24566	22536	26351	25504	25882
Cities Service Closson B11		H-30	-	-	-	-	-	-	4081	39541
Cities Service Closson C-1	313	A-18	524034	52516	37360	33054	41603	45262	28012	1057
Cities Service Closson C-3	313	I-18	453109	45567	35929	28271	7728	5968	2023	17755
Continental Meyer A-29 #1	160	O-29	211716	11162	9141	6996	11709	11863	11572	10800
Continental Meyer A-29 #4	320	L-29	456534	37038	31563	28526	29268	33682	29734	37791
Continental Meyer A-29 #5	160	A-29	156704	27258	2822	7655	15544	6961	3124	12608
Continental Meyer B-22 #1	160	I-22	268805	20250	2895	25243	417	6116	17685	12801
Continental Meyer B-28 #1	160	E-28	139105	17970	29651	31727	32515	29660	20675	0
Continental Meyer B-28 #2	160	A-28	316098	5690	24282	11464	3714	19013	17020	18178
Continental State E-17 #4	160	E-17	37102	0	0	0	0	0	0	0
Continental State E-17 #5	160	L-17	415604	17593	3040	18561	5273	150	1574	12948
Dalport Christmas B #1	160	J-21	242579	20060	7570	22007	22122	21745	15564	8892
Dalport Lunt #1	160 <i>Wing</i>	P-20	70764	4639	4241	2150	5547	4060	1639	3091
Gulf Christmas #2	160	H-27	265366	57918	37546	11525	2984	0	9203	0
Gulf Greer #1	160	K-21	223289	4839	31868	39192	44986	44128	42017	37636
Ohio Jalmat Gas Unit #6	520 <i>Wing</i>	N-16	675800	18879	42085	3640	1740	2021	1982	5745
Ohio Jalmat Gas Unit #25		H-16	671569	28725	48607	7080	2089	1590	2020	5736
Olson Christmas #1	160	L-28	262720	4215	24319	18405	11490	21185	14531	19900
Olson Christmas #2	160	I-28	203792	6775	8085	16168	13261	16522	15610	16284
Shell Dev. Christmas #2 <i>Wing</i>	160	B-21	301816	7483	4008	4422	1491	5773	12623	11324 ✓
Sun Peerless #1	160	C-22	244424	11603	6291	255	8099	6021	8156	17941
Sun Record C-1	160	A-22	313025	9808	4937	3670	2345	18183	2244	6180
Western Nat'l McDonald 13	160	P-15	293661	4680	201	0	0	0	39601	42834
Western Nat'l McDonald 14	320	G-15	498595	33571	5300	12115	73025	23614	3026	70324
Western Nat'l McDonald A/C 15 #1	160	L-15	198155	2438	19832	17794	14128	13018	15247	16136

1317
BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO
MAIN OFFICE CCC

IN THE MATTER OF THE APPLICATION OF SUNRAY MID-CONTINENT OIL COMPANY FOR AN ORDER GRANTING APPROVAL OF EXCEPTIONS PURSUANT TO RULE 5 OF THE SPECIAL RULES AND REGULATIONS FOR THE JALMAT GAS POOL, AS SET FORTH IN ORDER NO. 520, FOR ESTABLISHMENT OF A NON-STANDARD GAS PRORATION UNIT OF 320 CONTIGUOUS ACRES, CONSISTING OF THE NE/4 OF SECTION 20 and THE NW/4 OF SECTION 21, ALL IN TOWNSHIP 22 SOUTH, RANGE 36 EAST, LEA COUNTY, NEW MEXICO, AND FOR THE FORCED POOLING OF ALL INTERESTS THEREIN WITHIN THE VERTICAL LIMITS OF THE JALMAT GAS POOL.

1957 AUG 25 PM 2:07

CASE NO. 1317

A P P L I C A T I O N

TO THE HONORABLE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO:

COMES NOW the Applicant, Sunray Mid-Continent Oil Company, and states as follows:

1. That it is the owner and operator of its Boren lease covering the NE/4 of Section 20 and its Greer lease, covering the NW/4 of Section 21, all in Township 22 South, Range 36 East, Lea County, each lease containing 160 acres, more or less.
2. That the entire 320 acres contained in the said Boren and Greer leases is underlain by and productive of gas from the Jalmat Gas Pool.
3. That heretofore it has completed and produced from another horizon its Greer No. 2 located 660' from the north line and 660' from the west line of Section 21, Township 22 South, Range 36 East, Lea County; and that it now propose to recomplete said Greer No. 2 in the Jalmat Gas Pool.
4. That applicant has in good faith unsuccessfully attempted to voluntarily pool all royalty interests in the aforesaid 320-acre tract.
5. That attached hereto, marked Exhibit "A", and made a part hereof by this reference, is a plat showing the area covered by this application with the location of all wells drilled or drilling in the area.
6. That an order should be entered granting exceptions pursuant to Rule 5 of Order No. 520 for establishment of a non-standard gas proration unit consisting of the Northeast Quarter (NE/4) of Section 20 and the Northwest Quarter (NW/4) of Section 21, all in Township 22 South, Range 36 East, Lea County, New Mexico, and providing for forced pooling of all interests therein within the vertical limits of the Jalmat Gas Pool.
7. That the granting of this application will prevent waste and protect the correlative rights of all parties concerned.
8. That attached hereto, marked Exhibit "B", and made a part hereof by this reference, is a list of names and addresses of all offset operators within 1980 feet of the proposed unit well or located within the sections in which the proposed unit is situated; and that each operator contained therein has been notified by being sent a copy of this application.

WHEREFORE, Applicant prays this application be set for hearing, that notice thereof be given as required by law and that upon the evidence adduced at such hearing, the Commission issue an order granting exceptions pursuant to Rule 5 of Order NO. 520 for establishment of a non-standard gas proration unit as described in the caption hereof, and providing for forced pooling of all interests therein within the vertical limits of the Jalmat Gas Pool.

Dated this 21st day of August, 1957.

SUNRAY MID-CONTINENT OIL COMPANY

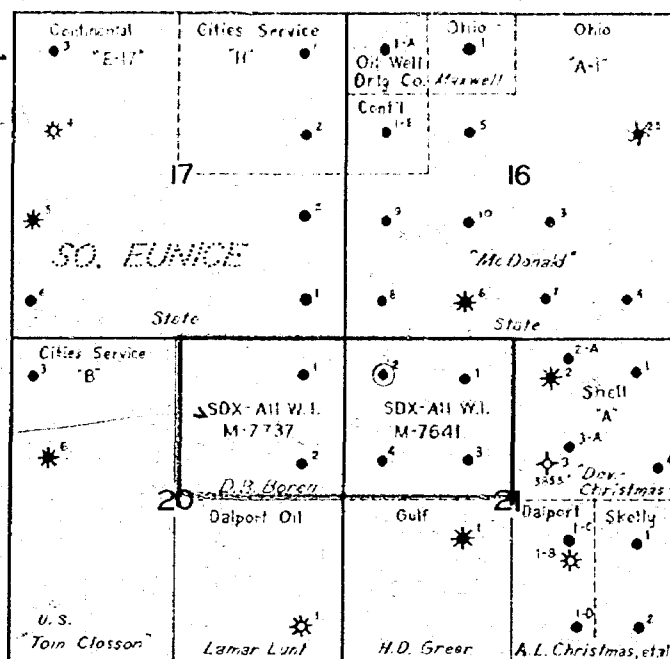
By Burns H. Errebo
Burns H. Errebo

By L. C. White
L. C. White

Dockets. Noted 9-12-57
BP

R - 36 - E

1. objection on NE 1/4
from John A. Hallen
1 objection from
Robert J. Emery.



T
L
22
L
S

Exhibit "A"

PRODUCING FORMATION		SUNRAY MID-CONTINENT OIL COMPANY	PRODUCING LEASES
NAME	AVERAGE DEPTH	FIELD: SO. EUNICE & JAIMAT DISTRICT: N&W TEX. GROUP: EUNICE COUNTY: LEA STATE: NEW MEX.	BOREN, D.B. GREER, H.D.
		SCALE 3000 1500 0 1500 3000 6000 FEET	

EXHIBIT "B"

Ohio Oil Company
P. O. Box 2107
Hobbs, New Mexico

Shell Oil Company
P. O. Box 1957
Hobbs, New Mexico

Continental Oil Company
P. O. Box 427
Hobbs, New Mexico

Cities Service Oil Company
P. O. Box 97
Hobbs, New Mexico

Dalport Oil Corporation
930 Fidelity Union Life Bldg.
Dallas, Texas

Gulf Oil Corporation
P. O. Box 2167
Hobbs, New Mexico

Skelly Oil Company
P. O. Box 1650
Tulsa, Oklahoma
Attention: Mr. G. W. Selinger

MAILED OFFICE 000
SEP 19 1957 8:09

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
SUNRAY MID-CONTINENT OIL COMPANY FOR
AN ORDER GRANTING APPROVAL OF EXCEPTIONS
PURSUANT TO RULE 5 OF THE SPECIAL RULES
AND REGULATIONS FOR THE JALMAT GAS POOL,
AS SET FORTH IN ORDER NO. 520, FOR ESTABLISH-
MENT OF A NON-STANDARD GAS PRORATION UNIT
OF 320 CONTIGUOUS ACRES, CONSISTING OF THE
NE/4 OF SECTION 20 AND THE NW/4 OF SECTION
21, ALL IN TOWNSHIP 22 SOUTH, RANGE 36 EAST,
LEA COUNTY, NEW MEXICO, AND FOR THE FORCED
POOLING OF ALL INTERESTS THEREIN WITHIN THE
VERTICAL LIMITS OF THE JALMAT GAS POOL.

CASE NO. 1317

PROTEST

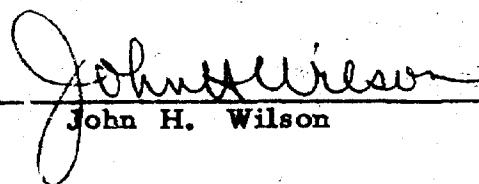
TO THE HONORABLE OIL CONSERVATION COMMISSION OF THE STATE OF
NEW MEXICO

COMES NOW, the undersigned, John H. Wilson and states as follows:

1. That he is one of the royalty owners under the Boren lease covering the NE 1/4 Sec. 20, T. 22 S., R. 36 E., Lea County, New Mexico.
2. That the Sunray Mid-Continent Oil Company has applied to the Commission for forcible pooling of all interests in said Boren lease with those in the Greer lease in NW 1/4 Section 21, T. 22 S., R. 36 E., Lea County, New Mexico.
3. That present production from present Boren tract is very small and probably not commercial production and that it is the expectation of the royalty owners that in the absence of additional development said lease should revert to them in the near future.
4. That the proposed forcible unitization of this lease with other leases might tend to extend the lease without very much increase in income and prevent them from bringing any action to cancel the oil and gas lease when present production thereon is inadequate to hold said lease.

WHEREFORE, the undersigned royalty owner protests said forcible unitization and prays that the application of the Sunray Mid-Continent Oil Company be denied.

Dated this 18th day of September, 1957.


John H. Wilson

JOHN H. WILSON
1201 SINCLAIR BUILDING
FORT WORTH 2, TEXAS



Oil Conservation Commission
State of New Mexico
State Capitol
Santa Fe, New Mexico

DOCKET: EXAMINER HEARING OCTOBER 4, 1957

Oil Conservation Commission 9:00 a.m., Mabry Hall, State Capitol, Santa Fe

The following cases will be heard before Elvis A. Utz, Examiner:

CASE 1317: (Readvertisement) Application of Sunray Mid-Continent Oil Company for approval of a 320-acre non-standard gas proration unit in the Jalmat Gas Pool, Lea County, New Mexico and for the forced pooling of all interests therein within the vertical limits of the Jalmat Gas Pool. Applicant, in the above-styled cause, seeks an order establishing a 320-acre non-standard gas proration unit in the Jalmat Gas Pool consisting of the NE/4 of Section 20, and the NW/4 of Section 21 of Township 22 South, Range 36 East, Lea County, New Mexico, said unit to be dedicated to the applicant's Greer No. 2 Well located in the NW/4 NW/4 of said Section 21. Applicant further requests the forced pooling of the interests of all persons within the vertical limits of the Jalmat Gas Pool underlying the above-described acreage.

CASE 1320: Application of San Juan Gas Corporation for approval of the San Juan 24-2 Unit Agreement in Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order approving the San Juan 24-2 Unit Agreement for purposes of exploration and development. Said unit embraces 10,747 acres, more or less, of federal and patented acreage consisting of:

TOWNSHIP 24 NORTH, RANGE 2 WEST, NMPM

Sections 1 & 2: All

Section 3: Lots 1, 2, 3, S/2 NE/4, SE/4 NW/4,
E/2 SW/4, SE 4

Section 10: E/2

Sections 11 through 14, incl.: All

Section 15: E/2

Section 22: E/2

Sections 23 through 27, incl.: All

Section 33: S/2

Sections 34, 35 & 36: All

All in Rio Arriba County, New Mexico.

CASE 1321: Application of San Juan Gas Corporation for approval of the San Juan 25-2 Unit Agreement in Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order approving the San Juan 25-2 Unit Agreement for purposes of exploration and development. Said unit embraces 19,497 acres, more or less, of federal, state and patented acreage consisting of:

TOWNSHIP 25 NORTH, RANGE 2 WEST, NMPM

Sections 1 through 30, incl.: All

Sections 33 through 36, Inc.: All

All in Rio Arriba County, New Mexico.

-2-

Docket No. 30-57

CASE 1322:

Application of Sinclair Oil & Gas Company for approval of the North Pearl Unit Agreement in Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order approving the North Pearl Unit Agreement for purposes of exploration and development. Said unit embraces 2400 acres, more or less, of State of New Mexico lands consisting of:

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM

Section 15:	W/2
Section 16:	All
Section 17:	E/2
Section 21:	All
Section 22:	W/2
Section 27:	NW/4

All in Lea County, New Mexico.

ir/

MAIL OFFICE OCC
RECEIVED SEP 27 AM 8:03

ROGER B. OWINGS
FAIR BUILDING
FORT WORTH 2, TEXAS

September 25, 1957

RE: CASE 1317: Application of Sunray Mid-
Continent Oil Company for approval of
320-acre non-standard gas proration
unity in the Jalmat Gas Pool, Lea
County, New Mexico.

Honorable Oil Conservation Commission of
The State of New Mexico
State Capitol
Santa Fe, New Mexico

Gentlemen:

I wish to thank you for the notice that this hearing is to be held before the Examiner October 4, in Mabry Hall, State Capitol, Santa Fe, New Mexico. Unfortunately, it will be impossible for me to attend this hearing, therefore, I am enlarging on my telegram of September 23rd by letter.

I believe this is an attempt by the operating company to hold the Boren lease by production on the adjoining lease. Should you allow this forcible unitization it would prevent any action to cancel the Boren lease by the mineral owners when the present producing horizon is exhausted.

There is geological evidence of the possibility of a lower pay section in this area and it would appear a subterfuge is being used by the producing company to hold the lease and not drill deeper.

This, in my opinion, is an unfair practice and I hope the Commission will take it into consideration and deny the application for forcible unitization.

Very truly yours,

Roger B. Owings
ROGER B. OWINGS.

RBO:ERC

Case 1317

MAIN OFFICE OCT LYTLE JOHNSTON & SOULE

ROY C. LYTLE
DAVID C. JOHNSTON
EDWARD E. SOULE
ROBERT J. EMERY
JOHN C. HARRINGTON, JR.

ATTORNEYS AND COUNSELORS

OKLAHOMA CITY 2, OKLAHOMA

OF COUNSEL
DAVID I. JOHNSTON

September 20, 1957

COMMERCE EXCHANGE BUILDING
TELEPHONE FOREST 5-7473

9-24-57
Docket for Oct. 4th
mailed. BP

In the Matter of the Application of
Sunray Mid-Continental Oil Company
for an Order granting approval of
exceptions pursuant to Rule 5 of the
Special Rules and Regulations for the
Jalmat Gas Pool, as set forth in Order
No. 520, for establishment of a Non-
Standard Gas Pro-ration Unit of 320
contiguous acres, consisting of the NE/4
of Section 20 and the NW/4 of Section 21,
All in Township 22 South, Range 36 East,
Lea County, New Mexico, and for the forced
pooling of all interests therein within
the vertical limits of the Jalmat Gas Pool.
S. M. Gloyd Estate

Oil Conservation Commission of the
State of New Mexico
State Capitol
Santa Fe, New Mexico

Gentlemen:

As a royalty interest owner, our client is
vitally interested in the captioned application and
we should, therefore, very much appreciate your notifying
us of the date this application has been set for hearing.

We should also appreciate your advising us, if
you know, of the names and addresses of any interest owners
who have indicated their intention or desire to contest the
application.

Very truly yours,

LYTLE JOHNSTON & SOULE

By

Robert J. Emery
Robert J. Emery

RJE:J

CLASS OF SERVICE
This is a fast message unless its deferred character is indicated by the proper symbol.

WESTERN UNION TELEGRAM

W. P. MARSHALL, PRESIDENT

SYMBOLS
DL=Day Letter
NL=Night Letter
LT=International Letter Telegram

The filing time shown in the date line on domestic telegrams is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination.

1957 SEP 23 PM 3:38
=L DFWB038 LONG DL PD=FORT WORTH TEX 23 346PMC:
=HONORABLE OIL CONSERVATION COMMISSION OF THE
STATE OF NEW MEXICO= STATE CAPITOL SANTA FE NMEX=

=WE EACH OWN A SMALL ROYALTY INTEREST UNDER THE BOREN
LEASE COVERING NORTHEAST QUARTER OF SECTION TWENTY
TOWNSHIP TWNTY-TWO SOUTH RANGE THIRTY-SIX EAST LEA
COUNTY NEW MEXICO. WE RESPECTFULLY REQUEST THAT YOU REFUSE
TO LET SUNRAY MIDCONTINENT OIL COMPANY FORCIBLY POOL OUR
INTERESTS WITH THE GREER LEASE IN THE NORTHWEST QUARTER
OF SECTION TWENTY-ONE TOWNSHIP TWENTY-TWO RANGE
THIRTY-SIX EAST LEA COUNTY NEW MEXICO. THE BOREN LEASE
HAS BEEN HELD FOR MANY YEARS WITHOUT PROPER DEVELOPMENT
AND THE PRESENT INCOME IS ALMOST NIL. I BELIEVE THE PRESENT
MOVE IS TO PREVENT THE LEASE FROM EXPIRING AND IF THE
COMPANY DOES NOT FEEL THE ACREAGE JUSTIFIES PROPER
DEVELOPMENT IT SHOULD BE RETURNED TO THE ROYALTY OWNERS=
ROGER B OWINGS CHARLES J HOFFMAN=

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

DOCKET: EXAMINER HEARING OCTOBER 4, 1957

Oil Conservation Commission 9:00 a.m., Mabry Hall, State Capitol, Santa Fe

The following cases will be heard before Elvis A. Utz, Examiner:

CASE 1317: (Readvertisement) Application of Sunray Mid-Continent Oil Company for approval of a 320-acre non-standard gas proration unit in the Jalmat Gas Pool, Lea County, New Mexico and for the forced pooling of all interests therein within the vertical limits of the Jalmat Gas Pool. Applicant, in the above-styled cause, seeks an order establishing a 320-acre non-standard gas proration unit in the Jalmat Gas Pool consisting of the NE/4 of Section 20, and the NW/4 of Section 21 of Township 22 South, Range 36 East, Lea County, New Mexico, said unit to be dedicated to the applicant's Greer No. 2 Well located in the NW/4 NW/4 of said Section 21. Applicant further requests the forced pooling of the interests of all persons within the vertical limits of the Jalmat Gas Pool underlying the above-described acreage.

CASE 1320: Application of San Juan Gas Corporation for approval of the San Juan 24-2 Unit Agreement in Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order approving the San Juan 24-2 Unit Agreement for purposes of exploration and development. Said unit embraces 10,747 acres, more or less, of federal and patented acreage consisting of:

TOWNSHIP 24 NORTH, RANGE 2 WEST, NMPM
Sections 1 & 2: All,
Section 3: Lots 1, 2, 3, S/2 NE/4, SE/4 NW/4,
E/2 SW/4, SE 4,
Section 10: E/2,
Sections 11 through 14, incl.: All,
Section 15: E/2,
Section 22: E/2,
Sections 23 through 27, incl.: All,
Section 33: S/2,
Sections 34, 35 & 36: All,

All in Rio Arriba County, New Mexico.

CASE 1321: Application of San Juan Gas Corporation for approval of the San Juan 25-2 Unit Agreement in Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order approving the San Juan 25-2 Unit Agreement for purposes of exploration and development. Said unit embraces 19,497 acres, more or less, of federal, state and patented acreage consisting of:

TOWNSHIP 25 NORTH, RANGE 2 WEST, NMPM
Sections 1 through 30, incl.: All
Sections 33 through 36, Inc.: All

All in Rio Arriba County, New Mexico.

CASE 1322: Application of Sinclair Oil & Gas Company for approval of the North Pearl Unit Agreement in Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order approving the North Pearl Unit Agreement for purposes of exploration and development. Said unit embraces 2400 acres, more or less, of State of New Mexico lands consisting of:

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM

Section 15: W/2
Section 16: All
Section 17: E/2
Section 21: All
Section 22: W/2
Section 27: NW/4

All in Lea County, New Mexico.

ir/

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Date 10-11-57

CASE 1317

Hearing Date 10-4-57

My recommendations for an order in the above numbered cases are as follows:

The application be granted as requested.
1. The well can reasonably be assumed to
produce its allowable.

Harold W. R.
Examiner

Staff Member

Gulnag Pond

2*

1	1955	November	59574	1
2		January	45004	2
3		February	50620	3
4		March	42230	4
5		April	26468	5
6		May	13418	6
7		June	39892	7
8		July	58326	8
9		August	33714	9
10		September	53660	10
11		October	40458	11
12		November	44042	12
13		December	33954	13
14	1956	January	37902	14
15		February	31518	15
16		March	44342	16
17		April	67716	17
18		May	28050	18
19		June	25660	19
20		July	37580	20
21		August	29472	21
22		September	51660	22
23		October	43834	23
24		November	35727	24
25		December	51868	25
26	1957	January	29685	26
27		February	57904 ÷ 28 = 2068	27
28		March	26924	28
29		April	24101	29
30		May	26991	30
31		June	16573	31
32		July	17081 ÷ 31 = 551	32
33		August	74763	33
34		September	40159	34
35		October	34619	35

Obit. H. Donald #6 = 10. M. 786, 518 over ✓
 Shell-Xmas #2 = 10. M. underproduced 12,600 9-157
 Hull-Hill #1 = 10. M. 96,230 over.
 Galt-Hill-Lunt #1 - Marq. with.
 Cites. Ser. - Clason 346 - Marq.

CARL H. GILBERT
L. C. WHITE
WILLIAM W. GILBERT
SUMNER S. KOCH

MAIN OFFICE

GILBERT, WHITE AND GILBERT
ATTORNEYS AND COUNSELORS AT LAW
BISHOP BUILDING
SANTA FE, NEW MEXICO

October 7, 1957

Case 1377

Oil Conservation Commission
Capitol Building
Santa Fe, New Mexico

Re: Sunray Mid-Continent Oil Company's
Application 320-acre Non-Standard Gas
Proration Unit, Jal-Mat Gas Pool, Lea
County, New Mexico, and Forced Pooling
of Royalty Interests, NM-OCC Case 1317.

Attention: Mr. Elvis Utz

Gentlemen:

Enclosed herewith please find copies of the various correspondence of which the originals were introduced in the above case with leave to substitute copies thereof.

We have received the originals and would appreciate your filing the enclosures in lieu thereof.

Thanking you for your courtesy in this matter, we remain

Very truly yours,



L. C. WHITE

LCW:LG
Enclosures

MAIL ROOM
MAY 1 1957

JOHN H. WILSON
EXPLORATION CONSULTANT
1801 BOWLING BUILDING
FORT WORTH 2, TEXAS

May 1, 1957

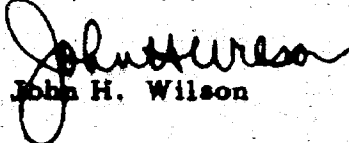
Sunray Mid-Continent Oil Co.
Attn: Mr. R. L. Sowle
P. O. Box 2039
Tulsa, Oklahoma

PPC - R48
NE 20-T22S-R36E
Lea County, New Mexico

Gentlemen:

In reply to your letter of April 26th, 1957 regarding the 320 acre Yates Sand Gas Unit - Boren and Greer leases, I have considered the matter and am willing to sign the unit provided that the lease on NE 1/4 Sec. 20, T22S, R36E shall terminate as to all depths below the Yates in the event production ceases on the NE 1/4 Sec. 20, T22S, R36E.

Very truly yours,


John H. Wilson

JHW:js
cc:JHW II
PPC-Ho

MAIL OFFICE OCC

1957 OCT 1 AM 8:00

June 26, 1957

Southern Minerals Corporation
P. O. Box 716
Corpus Christi, Texas

Attention: Mr. Jenks Smith

Re: 320 acre Yates Gas Sand
Unit - Boren & Greer Leases
LEA COUNTY, NEW MEXICO

Gentlemen:

Pursuant to my conversation of June 19, 1957 with your Mr. Smith concerning the subject unit, Sunray Mid-Continent cannot accept the signed royalty pooling agreement from which you had deleted on Pages 2 and 3 the words, "distillate and/or condensate", and substituted the word, "dry". We do not believe that the changes should be made in the pooling agreement for the following reasons:

1. There are 44 royalty owners involved in our proposed unit and 74% (acreage basis) have accepted the pooling agreement, as written, and we are expecting at least 85% to be signed.
2. The wells in this area produce dry gas, and we have no intention of setting separators after the well is completed, although there is always a possibility that the proposed unit well will produce some wet gas and/or condensate in sufficient quantities to warrant separator installation.
3. If we paid Southern Minerals under the contract as you have changed it, we would then be liable for excess royalties which would not be justified.
4. Our engineers do not estimate sufficient profit to warrant any additional equipment and excessive royalty payments since the 320 acre gas allowable for the month of May for the Jalnet Pool was 26,991 MCF per month. The gross total amount of income, based on the above allowable @ 15.025 PSY, @ 64¢/MCF would amount to \$2,564.14. The 1/8 total royalty, if pooled, allocated for

Page 2 --
Southern Minerals Corporation
Atten.: Mr. Jenks Smith

June 26, 1957

the two leases amounts to \$320.52, and your proportionate share, based on acreage amounting to 12 1/2% (40 acres) would be \$40.06 per month.

We are, therefore, again re-submitting the royalty pooling agreement which has been accepted by 74% of the royalty owners under both leases, and ask for your consideration and cooperation by executing same.

It might also be noted that if we do not pool the 320 acres and complete one well on the 160, we will receive only 1/2 of the allowable above quoted which would, according to the above figures, be a difference of \$10.00. 20.00

I would appreciate your informing us whether or not you will accept the contract, as written.

Very truly yours,


R. L. Sowle

RLS/fb
Attach.

c o p y

CHAS. J. HOFFMAN
Continental Life Building
Fort Worth 2, Texas

September 5, 1957

Sunray Mid-Continent Oil Company
Post Office Box 2039
Tulsa 2, Oklahoma

Attention: Mr. R. L. Sowle

Gentlemen:

Re: 320-acre Yates Gas Sand Unit-
Boren and Greer Leases, located
in NE/4 of Section 20 and NW/4
of Section 21 - 22S - 36 E
LEA COUNTY, NEW MEXICO

Thank you for sending me a copy of your letter of August 16, 1957 to Mr. Roger B. Owings, regarding the unitization of the captioned land.

As you know, Mr. Owings and I have a small interest. We have discussed this matter thoroughly, and have come to the conclusion that we would not care to unitize these two quarter-sections until you can procure from the State a 320-acre allowable that would double a 160-acre allowable, giving us our full 160-acre allowable on 160 acres. If you are refused this request, we see no reason for unitization, and we would expect a well on our 160-acre offset, which is a normal unit.

We can readily understand how you might wish to economize by not drilling a well on our 160 acres, and we would be willing to allow you this economy provided you would acquire an allowable as described above.

Thanking you for your understanding of our position in this matter, I am

Yours very truly,

CHAS. J. HOFFMAN

CJH:d

CC: Mr. Roger B. Owings
Fair Building
Fort Worth 2, Texas

C
O
P
Y

LYTLE JOHNSTON & SOULE
Attorneys and Counselors
Oklahoma City 2, Oklahoma

June 25, 1957

320 acre Yates gas sand unit - Boren
and Greer Leases located in NE/4 of
Sec. 20 and NW/4 of Sec. 21, 22 South,
36 East, Lea County, New Mexico
S. M. Gloyd Estate

Sunray Mid-Continent Oil Company
P. O. Box 2039
Tulsa 2, Oklahoma

Gentlemen:

Attention: Mr. R. L. Sowle

On April 26 you wrote our client, the S. M. Gloyd Estate, enclosing in duplicate a royalty pooling agreement regarding the captioned unit.

Responding to our letter inquiry of May 3, you advised by letter dated May 6, that the Greer lease, in which our client owns a royalty interest, was offset by three different wells, each of which is presently producing gas from the Yates sand.

This being so, it is altogether likely that the Greer Lease, insofar as the Yates sand underlying it is concerned, is being subjected to drainage.

It is not necessary to remind you of your obligation under the implied covenant in the leases covering the area in question, to protect the same from drainage.

Accordingly, we ask on behalf of our client, the S. M. Gloyd Estate, that you proceed with diligence to protect the Greer Lease from drainage by completing the Greer No. 2 well for production from the Yates gas sand. In the event of your failure to comply, within a reasonable period of time, with what we conceive to be your obligation under the implied covenants of our lease, it is our intention to institute an action seeking to cancel the lease insofar as the Yates gas sand is concerned and to recover money

Mr. R. L. Sowle
June 25, 1957 - Page No. 2

damages to compensate our client for the drainage which you have permitted.

Yours very truly,

LYTLE JOHNSTON & SOULE

RJE:FS

By: /S/ Robert J. Emery

cc: Miss Monnie Kongable
2708 First National Building
Oklahoma City, Oklahoma

Case 1317

A F F I D A V I T

Burns H. Errebo, being duly sworn, upon his oath states;

That he is an Attorney for Sunray Mid-Continent Oil Company, Tulsa, Oklahoma, Applicant before the Oil Conservation Commission of the State of New Mexico for authority to establish a non-standard gas proration unit as described in the attached application in Case No. 1317, and providing for force pooling of all interests therein within the vertical limits of the Jalmat Gas Pool, Lea County, New Mexico; and that a copy of said application was mailed to the royalty owners on the attached list, who are all of the royalty owners of interest in and under the 320-acre tract described in said application.

Burns H. Errebo
Burns H. Errebo

Subscribed and sworn to before me, a Notary Public within and for the State of Oklahoma, County of Tulsa, on the 6th day of September, 1957.

My Commission expires

February 25, 1961

Gladys E. Zani

Order R-1074 mailed to attached list & to Continental Oil, Roswell, 10-29-57 BP

*9-11-57
Dockets for the hearing Sept. 24th attached list of royalty owners. BP*

*9-23-57
Dockets for Oct. 11th mailed to attached list. BP*

ROYALTY INTEREST OWNERS

Argo Oil Corporation
1700 Broadway
Denver 2, Colorado

The Atlantic Refining Company
P. O. Box 6640
Roswell, New Mexico
Attn: Mr. R. F. Champion

Lamar Lunt
Zia Road
Santa Fe, New Mexico

A. N. Etz
P. O. Box 992
Roswell, New Mexico

St. Louis Oil & Gas Company
P. O. Box 130
Tulsa, Oklahoma

Roger B. Owings
1221 Fair Building
Ft. Worth, Texas

D. R. Snow
1720 First National Building
Tulsa, Oklahoma

R. H. Venable
2503 Mercantile Bank Building
Dallas 1, Texas

Olivia W. Etz
2003 17th Street
Lubbock, Texas

John F. H. Healey
2615 Roosevelt Blvd.
Midland, Texas

Edwin M. Bedford
964 Westchester Place
Los Angeles, California

F. J. Danglade
P. O. Box 675
Lovington, New Mexico

Felmont Oil Corporation
285 Madison Avenue
New York 17, New York

Southern Petroleum Exploration, Inc.
P. O. Box 1017
Roswell, New Mexico

Clarence E. Hinkle
Roswell Box 547
New Mexico

Henry D. Greer
Route #4
Hillsboro, Texas

The Atlantic Refining Company
P. O. Box 2819
Dallas 1, Texas
Attn: Mr. D. J. Baird

The Atlantic Refining Company
P. O. Box 871
Midland, Texas
Attn: Mr. Herb Wales

M. W. Coll
P. O. Box 919
Roswell, New Mexico

Nathan Calvin
10 East 43rd Street
New York, New York

Bradley Producing Corporation
80 North Main Street
Wellsville, N. Y.

W. L. Pickens
1802 Adolphus Tower
Dallas, Texas

Texaro Oil Company
P. O. Box 652
Dallas, Texas

John H. Wilson
1201 Sinclair Building
Ft. Worth 2, Texas

Chas. J. Hoffman
1405 Continental Life Building
Fort Worth 2, Texas

F. E. Ernst & Manufacturers &
Traders Trust Co., Executors &
Trustees, Wm. J. Healey Estate
284 Main St., Buffalo 5, New York

Hugh Corrigan
P. O. Box 590
Midland, Texas

Peerless Oil & Gas Company
1670 Denver Club Building
Denver, Colorado

Charles Francis Bedford
No. 7 Westover Road
Ft. Worth, Texas

Ellen Anne W. Williams
P. O. Box 592
Lanikai, Hawaii

Mrs. Agnes C. Smith
26 Kensington Road
Scarsdale, New York

Rachel Bedford Bowen
P. O. Box 572
San Clemente, California

The Superior Oil Company
P. O. Box 3015
Terminal Annex
Los Angeles 54, California

Warren Bank & Trust Company., Exr. Estate
of A. W. Goad, Dec'd
Trust Department
Warren, Pennsylvania

Julian W. Glass, Jr. Trustee under
the Will of J. Wood Glass, Dec'd.
P. O. Box 587
Nowata, Oklahoma

Southern Minerals Corporation
Somico Building
Corpus Christi, Texas

Chas. A. Dore
Address Unknown

F. D. Jones Estate
Address Unknown

W. G. Phillips
724 South Denver
Tulsa 11, Oklahoma

Henry De Graffenriad Bedford
P. O. Box 2097
Denver, Colorado

Onez Norman Gloyd & Helen G. Lyett,
Ancillary Execs. of Estate of
S. M. Gloyd, Deceased
2708 First National Building
Oklahoma City 2, Oklahoma

Sparks Healey Company
P. O. Box 12382
Fort Worth, Texas

W. A. Pryett
Address Unknown

OIL CONSERVATION COMMISSION
P. O. BOX 871
SANTA FE, NEW MEXICO

October 24, 1957

Mr. L. C. White
P.O. Box 787
Santa Fe, New Mexico

Dear Sir:

On behalf of your client, Sunray Mid-Continent Oil Company, we enclose two copies of Order R-1074 issued October 23, 1957, by the Oil Conservation Commission in Case 1317, which was heard on October 4th by an Examiner.

Very truly yours,

A. L. Porter, Jr.
Secretary - Director

bp
Encls.

C
O
P
Y

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. 1317
Order No. R-1074

APPLICATION OF SUNRAY MID-CONTINENT
OIL COMPANY FOR APPROVAL OF A 320-ACRE
NON-STANDARD GAS PRORATION UNIT IN
THE JALMAT GAS POOL, CONSISTING OF THE
NE/4 OF SECTION 20, AND THE NW/4 OF
SECTION 21, TOWNSHIP 22 SOUTH, RANGE 36
EAST, NMPM, LEA COUNTY, NEW MEXICO, AND
FOR THE FORCED POOLING OF ALL INTERESTS
THEREIN WITHIN THE VERTICAL LIMITS OF
THE JALMAT GAS POOL.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on
October 4, 1957, at Santa Fe, New Mexico, before Elvis A. Utz,
Examiner duly appointed by the New Mexico Oil Conservation Com-
mission, hereinafter referred to as the "Commission," in accord-
ance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 23rd day of October, 1957, the Commission,
a quorum being present, having considered the application, the
evidence adduced and the recommendations of the Examiner, Elvis
A. Utz, 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, Sunray Mid-Continent Oil Company,
is the owner and operator of the NE/4 of Section 20, and the NW/4
of Section 21, Township 22 South, Range 36 East, NMPM, Lea County,
New Mexico.

(3) That the applicant proposes to establish a 320-acre
non-standard gas proration unit consisting of the above-described
acreage, said unit to be dedicated to the applicant's Greer No. 2
Well, located 660 feet from the North line and 660 feet from the
West line of said Section 21, which well the applicant proposes
to recomplete in the Jalmat Gas Pool.

(4) That it is reasonable to assume that the afore-
mentioned Greer No. 2 Well, when recompleted, will be capable of
producing a 320-acre allowable in the Jalmat Gas Pool.

-2-

Case No. 1317
Order No. R-1074

(5) That the applicant has made diligent efforts to communitize the diverse royalty interests in the proposed non-standard gas proration unit, but it has not been able to obtain the consent of all of said royalty interest owners.

(6) That the applicant seeks an order of the Commission force pooling the interests of all persons in the above-described non-standard gas proration unit within the vertical limits of the Jalmat Gas Pool.

(7) That approval of the subject application will not cause waste nor impair correlative rights.

(8) That unless the subject application is approved, the applicant will be deprived of the opportunity to reasonably recover his just and equitable share of the natural gas and the condensate in the Jalmat Gas Pool.

(9) That the subject application should be approved as requested.

IT IS THEREFORE ORDERED:

(1) That the interests of all persons in the NE/4 of Section 20 and the NW/4 of Section 21, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico, be and the same are hereby force pooled.

(2) That a 320-acre non-standard gas proration unit in the Jalmat Gas Pool, consisting of the above-described acreage, be and the same is hereby established, said unit to be dedicated to the applicant's Greer No. 2 Well, located 660 feet from the North line and 660 feet from the West line of said Section 21.


(3) That the said Greer No. 2 Well be granted an allowable in the proportion that the acreage in the above-described non-standard gas proration unit bears to the acreage in a standard gas proration unit for the Jalmat Gas Pool, subject to the provisions of Rule 12 of the Special Rules and Regulations for the Jalmat Gas Pool as set forth in Order No. R-520.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


EDWIN L. MECHEM, Chairman


MURRAY E. MORGAN, Member


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

ir/

ROYALTY POOLING AGREEMENT

THIS AGREEMENT, Made and entered into this _____ day of _____, 1957, by and between Sunray Mid-Continent Oil Company, a Delaware corporation, hereinafter called "Lease Owner", and the undersigned as "Royalty Owners".

W I T N E S S E T H:

WHEREAS, on April 9th, 1927, a certain oil and gas lease was made and entered into between Henry D. Greer, as Lessor, and F. E. Vosburg, as Lessee, covering, among other lands, the following described lands in Lea County, New Mexico, to-wit:

Northwest Quarter (NW $\frac{1}{4}$) of Section Twenty-One (21), Township Twenty Two (22) South, Range Thirty Six (36) East, N.M.P.M.,

said lease being recorded in Book 4 at page 628 of the records of the County Clerk of Lea County, New Mexico; and

WHEREAS, on June 21, 1927, a certain oil and gas lease was made and entered into by and between Mrs. Della Bailey Boren and J. M. Boren, her husband, as Lessors, and Cosden Oil & Gas Company, as Lessee, covering the following described land in Lea County, New Mexico, to-wit:

Northeast Quarter (NE $\frac{1}{4}$) of Section Twenty (20), Township Twenty Two (22) South, Range Thirty Six (36) East, N.M.P.M.

said lease being recorded in Book 8, Oil and Gas Records, Page 101, re-recorded in Book 15, Oil and Gas Records, Page 618, in the office of the County Clerk of Lea County, New Mexico; and

WHEREAS, Sunray Mid-Continent Oil Company is the present owner of the oil and gas leases above described; and

WHEREAS, the undersigned ROYALTY OWNERS own an interest in the royalty under either or both of the above described oil and gas leases; and

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
EXHIBIT No. 5
CASE 1317

WHEREAS, in the opinion of ROYALTY OWNERS it is desirable and advisable to pool and combine the respective royalty interests in and under the various tracts of land covered by the oil and gas leases above described in so far as said leases cover and apply to gas, distillate and/or condensate rights in and to the Yates Sand (encountered in the H. D. Greer Well No. 2 between the depths of 3000 feet and 3500 feet) underlying the Northwest Quarter (NW $\frac{1}{4}$) of Section 21, and the Northeast Quarter (NE $\frac{1}{4}$) of Section 20, Township 22 South, Range 36 East, containing 320 acres, more or less, Lea County, New Mexico, in order to form one tract or unit (hereinafter referred to as "Unitized Tract").

NOW, THEREFORE, in consideration of the premises and mutual advantages offered by this Agreement, the parties hereto hereby covenant, contract and agree as follows:

ARTICLE I

The oil and gas leases above described shall be and remain in full force and effect as originally written, except that the 320 acre tract described as the Northeast Quarter (NE $\frac{1}{4}$) of Section 20 and the Northwest Quarter (NW $\frac{1}{4}$) of Section 21, Township 22 South, Range 36 East, shall be developed and operated by the Lease Owner, its successors and assigns for the production therefrom of gas, distillate and/or condensate from the Yates Sand as an entirety, with the understanding and agreement that the gas, distillate and/or condensate produced from said Yates Sand underlying the unitized tract, shall be allocated among the leaseholds comprising said unitized tract in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed hereto, and the royalty owners shall be paid royalties for the unitized production in the proportion that each royalty owner's net mineral acre interest bears to the total number of mineral acres included in the unitized area.

ARTICLE II

There shall be no obligation on Lease Owner or its successors or assigns, to offset any gas well or wells on any separate component tract into which the unitized tract is now or may hereafter be divided; nor shall Lease Owner, its successors or assigns, be required to separately measure said gas, distillate and/or condensate by reason of diverse ownership of such production in and under said tract.

ARTICLE III

It is further agreed that production of gas, distillate and/or condensate, or any of them, on any part of the unitized tract shall be construed as though produced from each of the above described oil and gas leases and shall continue each of said leases in full force and effect as to all lands covered and described therein with like effect, as if such production were being had on land described in each of said leases.

ARTICLE IV

This Agreement and all drilling, development and producing operations shall be subject to all orders, rules and regulations of any duly constituted Federal, State or local authorities having jurisdiction of the land subject to this Agreement.

ARTICLE V

The term of this Agreement shall be co-extensive with the terms of the oil and gas mining leases hereinabove described.

ARTICLE VI

The provisions of each of the leases hereinabove described in conflict herewith are hereby abrogated -- otherwise, they shall remain in full force and effect.

ARTICLE VII

This Agreement may be executed in any number of counterparts and it shall be binding upon each party who executes it whether or not it is executed by all or any of the other parties

owning an interest in the minerals, royalties, or working interest in the above described land.

ARTICLE VIII

This Agreement shall be binding upon each party hereto and shall extend to and be binding on their respective heirs, executors, administrators, personal representatives, successors and assigns. This Agreement shall constitute a covenant running with the lands covered hereby.

The effective date of this Agreement shall be the date that a counterpart of this Agreement executed by Sunray Mid-Continent Oil Company is filed of record in Lea County, New Mexico, or the date that this Pooling Agreement is approved by order of the New Mexico Oil Conservation Commission, whichever occurs first.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above herein written.

"LEASE OWNER"

SUNRAY MID-CONTINENT OIL COMPANY

ATTEST:

By _____
Vice President

"ROYALTY OWNERS"

DATE

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

[illegible]

STATE OF OKLAHOMA)
COUNTY OF TULSA) SS.

On this ____ day of _____, 19____, before me, appeared _____, to me personally known, who, being by me duly sworn, did say that he is the Vice President of Sunray Mid-Continent Oil Company, a Delaware corporation, and that the seal affixed to said 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 _____ acknowledged said instrument to be the free act and deed of said corporation.

Notary Public

My commission expires:

STATE OF _____)
COUNTY OF _____) SS.

On this ____ day of _____, 19____, before me, appeared _____, to me personally known, who, being by me duly sworn, did say that he is the President of _____, a _____ corporation, and that the seal affixed to said 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 _____ acknowledged said instrument to be the free act and deed of said corporation.

Notary Public

My commission expires:

STATE OF _____)
COUNTY OF _____) SS.

On this ____ day of _____, 19____, before me, appeared _____, to me personally known, who, being by me duly sworn, did say that he is the President of _____, a _____ corporation, and that the seal affixed to said 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 _____ acknowledged said instrument to be the free act and deed of said corporation.

Notary Public

My commission expires:

STATE OF _____)
COUNTY OF _____) SS.

On this _____ day of _____, 19____, before me,
appeared _____, to me personally known, who,
being by me duly sworn, did say that he is the _____ President
of _____, a _____ corporation,
and that the seal affixed to said 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 _____ acknowledged said
instrument to be the free act and deed of said corporation.

Notary Public

My commission expires:

STATE OF _____)
COUNTY OF _____) SS.

On this _____ day of _____, 19____, before me,
appeared _____, to me personally known, who,
being by me duly sworn, did say that he is the _____ President
of _____, a _____ corporation,
and that the seal affixed to said 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 _____ acknowledged
said instrument to be the free act and deed of said corporation.

Notary Public

My commission expires:

STATE OF _____)
COUNTY OF _____) SS.

On this _____ day of _____, 19____, before me,
appeared _____, to me personally known, who,
being by me duly sworn, did say that he is the _____ President
of _____, a _____ corporation,
and that the seal affixed to said 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 _____ acknowledged said instru-
ment to be the free act and deed of said corporation.

Notary Public

My commission expires:

STATE OF _____)
COUNTY OF _____) SS.

On this _____ day of _____, 19____, before me personally appeared _____, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as his free act and deed.

Notary Public

My commission expires:

STATE OF _____)
COUNTY OF _____) SS.

On this _____ day of _____, 19____, before me personally appeared _____, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that _____ executed the same as _____ free act and deed.

Notary Public

My commission expires:

STATE OF _____)
COUNTY OF _____) SS.

On this _____ day of _____, 19____, before me personally appeared _____, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that _____ executed the same as _____ free act and deed.

Notary Public

My commission expires:

STATE OF _____)
COUNTY OF _____) SS.

On this _____ day of _____, 19____, before me personally appeared _____, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that _____ executed the same as _____ free act and deed.

Notary Public

My commission expires:

STATE OF _____)
COUNTY OF _____) SS.

On this _____ day of _____, 19____, before
me personally appeared _____ and _____,
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.

Notary Public

My commission expires:

STATE OF _____)
COUNTY OF _____) SS.

On this _____ day of _____, 19____, before
me personally appeared _____ and _____,
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.

Notary Public

My commission expires:

STATE OF _____)
COUNTY OF _____) SS.

On this _____ day of _____, 19____, before
me personally appeared _____ and _____,
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.

Notary Public

My commission expires:

NORTH AND GRAY 320 ACRE YATED GAS SALES UNIT
LEA COUNTY, NEW MEXICO
ROYALTY OWNERSHIP LIST

<u>Royalty Owners</u>	<u>Acres</u>	<u>160 Acre Tract #1 Acres</u>	<u>160 Acre Tract #2 Acres</u>
W. S. Phillips	.24	-	.0001831
D. R. Snow	2.50	.0019531	-
Robert Kellough (St. Louis Oil & Gas Company)	1.96	.0013021	-
Julian Glass, Jr., Trustee	.24	-	.0001831
<i>adj</i> Onea Norman Lloyd and Helen Lyeth, Ancillary Exec. Estate of S. M. Lloyd, Deceased.	36.00	-	.0381250
Atlantic Refining Company	41.96	.0325521	-
W. L. Pickens	5.00	.0039063	-
Texaco Oil Company	1.24	.0009766	-
R. H. Venable	2.50	.0019531	-
<i>adj</i> John H. Wilson	2.50	.0019531	-
<i>adj</i> Chas. J. Hoffman	1.24	.0009766	-
Roger B. Owings	1.24	.0009766	-
Spark Healy Co.	8.00	-	.0042500
Chas. Francis Bedford	.80	-	.0008250
Etta Greer	5.00	-	.0039063
F. J. Canplade	10.00	-	.0078125
Southern Petroleum Company	25.00	-	.0195312
Clarence Hinkle	2.50	-	.0019531
M. W. Cell	3.76	.0029297	-
A. E. Ets	1.88	.0014649	-
Lamar Lent	10.00	.0078125	-
Olivie W. Ets	1.96	.0014649	-
John F. Healy	10.00	.0078125	-
Hugh Corrigan	5.00	-	.0039063
Peerless Oil & Gas Company	10.00	-	.0078125
Henry M. Graffeuried Bedford	.80	-	.0008250
Arco Oil Corporation	87.92	.9453474	-
<i>&</i> Southern Minerals Corporation	22.00	-	.0288000
Falcon Oil Corporation	1.76	-	.0014649

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

EXHIBIT No. 6
CASE _____

<u>Royalty Owners</u>	<u>Acres</u>	<u>160 Acre Tract #1 Share</u>	<u>160 Acre Tract #2 Share</u>
Mrs. Agnes C. Smith	10.00	-	.0078125
Warren Bank & Trust Company	.24	-	.0001331
Nathan Kelvin	3.76	.0022227	-
Bradley Prod. Co.	1.24	.0009765	-
F. E. Ernst & Manufacturers	10.00	.0078125	-
Ellen Anne W. Williams	.80	-	.0008250
Superior Oil Company	6.20	-	.0048437
Rachel Bedford Bowen	.80	-	.0008250
<i>no reply</i> & Edwin M. Bedford	.80	-	.0008250
<i>no &</i> Chas. A. Fore	2.00	-	.0015625
<i>add</i> { W. A. Pryett	1.00	-	.0007913
F. O. Jones Estate	.80	-	.0008250
TOTALS	320.00	.1250000	.1250000

BEFORE THE
OIL COMMISSION
SANTA FE, NEW MEXICO
JAN 11 1934