CASE 2293: Application of GREAT WESTERS DELG. for approval of GRAIN QUEEN UNIT MORRESSENT.

T

pliestion, Transcription, Etc.

January 28, 1969

Great Western Drilling Company Box 1659 Midland, Texas 79701

> Re: Grain Queen Unit TRRMINATION Les County, New Mexico

ATTENTION: Mr. J. B. Heckabay, Jr.

Gentlemen:

The Commissioner of Public Lands has received your proposal to terminate the Grain Queen Unit, effective Pehruary 1, 1969, also a letter ballot representing American Petrefina Company of Texas approval of this termination, which conferms with the requirements of Section 23 of the Unit Agreement of the Grain Queen Unit.

The Commissioner approves this termination effective as of February 1, 1969.

We are enclosing three (3) Certificates of Terminetion for your files.

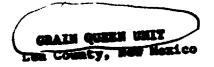
Very truly yours,

ALEX J. AMILJO CONSISSIONER OF FURLIC LANDS BY:

Ted Bilberry, Director Oil and Gas Department

AJA/TE/NL/s oc: GCC- Santa Fe, New Mexico

17793



PROGRESS REPORT NO. 2

FLOOD NO. 750-40

August, 1961

Production for the month was 4,367 herrols of oil for an everage of 141 herrols per day. Noter production was 327 herrols. Injected veter was 11,394 herrols for an everage of 187 herrols per well per day. Isoflow surveys were made on the injection wells 5-6 and 5-14. Well 8-3 had a hot oil treatment of 80 herrols.

ILLEGIZON MATA

ILEGION BATA		. 5.4%	Henthly	Cumilative
Well Mo. 5-6 5-14	Maximum Progrice 1200 1160	Avg. Baily Laiesties - MPD 28 346 Total	877 10-717 11-294	1,943 13,117 17,950
MONTHAL	A GENERATIVE PROMESTIC		 aleriwa	Comulative

Well	Avg. Baily	Avg. Deily Prod. Water.	Monthly 011	Monthly Votes	Oil Oil	<u> Heter</u>
<u>He</u> _	Prod. Oil			434	621	899
5-11	9 98	14 3	295 3,038	93	5,983 2.046	186 0
5-13 8-3	34	9	1.054		8,650	1,085
•		Total	4.267	527_	6,400	-
		t wells converted	to Injecti	68	749	
	Production of				9.430	1.065
		Total Cum	elative			 - ·

WELL STATUS

WHIT POPLOYEES

3 Producing Wells

1 Pumper

2 Injection Wells

CHEAT WESTERN MILLION COMPANY

By Officers

omc:tr 9-13-61

HERMY, DOW & HINKLE, ATTORNEYS ROSWELL, NEW MEXICO

Case " 7793

July 24, 1961

Great Western Drilling Company Box 1659 Midland, Texas

Attention: Mr. S. H. Snoddy

Re: Grain Queen Unit Our No. 144-9

Gentlemen:

We return herewith recorded Certificate dated July 11, 1961, recorded in Chaves County, New Mexico, July 18, 1961, in Book 175 at page 225; this is the Certificate required under Section 23 (d) of the above Unit Agreement.

Respectfully,

HERVEY, DOW & HINKLE

SBC/bk

enc.

cc: Commissioner of Public Lands State Land Office Building Santa Fe, New Mexico

Non-Mandan Od 1 Com-

New Mexico Oil Conservation Commission Santa Fe New Mexico

HEP-TY, DOW & HINKLE, ATTORNEYS ROSWELL, NEW MEXICO

July 17, 1961

Commissioner of Public Lands State Land Office Building Santa Pe, New Mexico Unit Case \$ 2793

New Mexico Oil Conservation Commission Santa Fe New Mexico

Lea County Clerk Court House Lovington, New Mexico

Re: Grain Queen Unit

Gentlemen:

We enclose herewith to the Commissioner two copies, to the Commission one copy, and to the County Clerk one copy plus filing fee of \$1.75, each of a Certificate dated July 11, 1961, executed by the Unit Operator reflecting that the unit was effective as of 7:00 A.M., July 1, 1961.

Respectfully,

HERVEY, DOW & HINKLE

SEC/bk

ene.

cc: Great Western Drilling Co.

CERTIFICATE

Great Western Drilling Company, by and through its President, R. C. Tucker, does hereby certify:

- Great Western Drilling Company is the Unit Operator of the Grain Queen Unit Agreement covering lands in Township 13 South, Range 32 East, N.M.P.M., Lea County, New Mexico. This Certificate is made pursuant to Section 23 (d) of said Unit Agreement.
- 2. The above Unit Agreement, and the attendant Unit Operating Agreement, were effective as of 7:00 A.M. on 1961.
- 3. (a) Prior to the above effective date, the above mentioned Unit Agreement and Unit Operating Agreement have been executed or ratified by Working Interest Owners owning a combined Unit participation of at least 90%, and the above mentioned Unit Agreement has been executed or ratified by Royalty Owners owning a combined interest of at least 66-2/3% of the Royalty Interest, in the Unit Area covered by said Unit Agreement.

My Commission Expires

Notary Public

SAM H. STODOY

NOTARY PUBLIC, MIDLAND COUNTY, TEXAS

MY COMMISSION EXPIRES JUNE 1, 1963.

GREAT WESTERN DRILLING CO. MIDLAND, TEXAS

6111 1,43

August 3, 1961

to: Grain Queen Unit Los County, New Hexico

Countactoner of Public Lands State of How Mexico P.O. Box 791 Santa Pa, New Mexico

Attention: Niss Marion Rhea

For your files and information, we are enclosing three (3) copies of revised Exhibits "g" and "C" to the Grain Queen Contlemen: Unit, effective July 1, 1961.

It is requested that you furnish us with a letter of acknowledgment from the Commissioner covering the revised Exhibits. We are anclosing our check in the amount of \$1.00 erroring the exertificate for.

Yours very truly,

S. H. Smilling COMPANY

S. I. Snotdy Land Manager

SHS: MC

referel. Oil Conservation Commission P.O. Box 871 Senta Pe, Herr Mertico

cc/eacl. Mr. S. B. Christy, IV Restall, How Mexico

EXHIBIT "B"

GRAIN QUEEN UNIT

WELL INFORMATION

w	ю	-	TRACT
NE/4 NW/4 Sec.8, T-13-S, R-32-E	S/2 SW/4, NE/4 SW/4 Sec. 5. T-13-8, R-32-E	SE/4 NW/4 Sec.5, T-13-S, R-32-E	DESCRIPTION
40	120	40	NUMBER OF ACRES
Estelle Williams 12.5%	B-10907	B-9171	LEASE AND/OR BASIC ASSIGNMENT NO. ROYALTY
12.5%	12.5%	12.5%	BASIC ROYALTY
Graridge	Great Western	Great Western	LESSEE OF
The Vickers Petroleum Co., Inc 5% of 7/8 Subject to Agreement dated 8-16-60	None	None	OVERRIDING ROYALTY OWNER AND AMOUNT
Graridge Corp.	Great Western Drlg 100%	Great Western Drlg 100%	WORKING INTEREST
- 100%	- 100%	- 100%	OF PA
22.592873	65.185113	12.222014	PER CENT PARTICIPATION OF TRACT IN UNII

Effective July 1, 1961 EXHIBIT "C"

GRAIN QUEEN UNIT

UNIT PARTICIPATION

WORKING INTEREST OWNERS		TOTAL UNIT PARTICIPATION
Graridge Corporation		22.592873
Great Western Drilling Company		77.407127
	Total	100.000000

GOVERNOR EDWIN L. MECHEM

State of New Mexico Oil Conservation Commission

LAND COMMISSIONER E. S. JOHNNY WALKER MEMBER



STATE GLOUCES: "
A, I, PORTOR, "F.
SECRETARY - DINGLIOR

P. O. BOX 871 SANTA FE

June 8, 1961

Mr. Howard Bratton Hervey, Dow & Hinkle Box 10 Roswell, New Mexico Re: CASE NO. 2292 and 2293

ORDER NO. R-1993 and R-1994

APPLICANT:
Humble & Great Mestern

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Very truly yours,

A. L. PORTER, Jr.

Secretary-Director

ir/

Carbon copy of order also sent to:

Artesia OCC X

OTHER

REFORE THE OIL COMBENVATION CONCESSION OF THE STATE OF HEW MEXICO

IF THE MATTER OF THE MEARING CALLED BY THE OIL COMMENVATION COUNTS STOR OF HEW THILICO FOR THE PURPOSE OF COMMINERING:

> CASE No. 2293 Order No. R-1994

APPLICATION OF GREAT NESTERS DRILLING COMMANY FOR APPROVAL OF THE GRAIN CREEK THIS THE TAXABLE OF THE GRAIN CREEK TOTAL A WATER-LOOD PROJECT THEFRIN, AND FOR SPECIAL MILES GOVERNING SAID WATER-PLOOD PROJECT, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMUNICAL

DE THE CONSISSION:

This come came on for hearing at 9 c'clock a.m. on May 24, 1961, at santa Fe, New Manies, before Blvis A. Uts, Banainer daily appointed by the Oil Conservation Commission of Now Manies, bereinsfter referred to se the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this Standard, 1961, the Commission, a quorum being precent, bewing considered the application, the evidence addresd, and the secondardsions of the Research. Bivin A. Otr, and being fully advised in the premises,

FILES:

- (i) That due public notice having been given as required by law, the Commission has jurisdiction of this course and the subject matter thereof.
- (2) That the applicant, Great Mustern Drilling Company, seeks approval of the Grein Cheen Unit Approximent, which unit embraces 200 agree of State and See lands in Township 13 South, Jampe 32 Hest, HMPK, Lee County, New Herico, described as follows:

Section 5: 88/4 MM/4, ME/4 SM/4 and the 8/2 SM/4

Section 8: 38/4 38K/4

- (3) That the proposed unit plan will in principle tend to promote the conservation of oil and gas and the prevention of waste.
- (4) That the applicant further seeks parmission to institute a waterflood project in said Grain Queen Whit Area, and seeks

-2-CASE No. 2293 Order No. 2-1994

the promisetion of special rules governing said project, including a provision for special allowables.

- (5) That due to the sime and logation of said wait with respect to the especity-type waterflood project immediately Meet of the subject unit, all producing wells therein should be assigned a capacity allowable.
- (6) That all of the producing wells in the unit have reached an advenced state of depletion and are properly election as "stripper" wells.

IT IS TREETONE ORDERED:

- (1) That the Grain Oneen Unit Agreement as proposed by the applicant, Great Western Drilling Company, is hereby approved.
 - (2) (a) That the unit area shall be:

MENICO PRINCIPAL MERIDIAN

TOWNSHIP 13 SCOTE, MARKE 32 RAST, Section 5: 82/4 20/4, 22/4 59/4 and the 5/2 59/4

Section 8: 186/4 188/4

containing 200 acres, more or less.

- (b) That the unit area may be enlarged or contracted as provided in the unit agreement, provided, however, that admin istrative approval for expansion or contraction of the unit area must be obtained from the Secretary-Director of the Commission.
- Commission a statement of progress summarizing operations for the exploration and development of all lands committed to said unit. This statement of progress shall be filed within 30 days after the exploration of each six-months period during the term of the unit approximate.
- (4) That the unit operator shall file with the Commission unit agreement. an executed original or emecuted counterpart of the unit agreement within 30 days after the effective date thereof.
- who does not counit such rights to said unit agreement before the effective date thereof may thereafter become a party thereto by subscribing to or ratifying such agreement.

-3-CASB No. 2293 Order No. 2-1994

- (4) That this order shall become effective on June 1, 1961, or upon the approval of said unit agreement by the Commissioner of Public Lands for the State of New Musico, whichever is later, and shall terminate imp facts upon the termination of said unit agreement. The last unit agreement, the last unit agreement, the last unit agreement.
- (7) That the applicant is becaby sutherised to institute a veterflood project in said Orain Queen Unit Aren by the injection of veter into the Queen formation through its State "R" Well No. 4, leasted in the SE/4 SE/4, and through its State "S" Well No. 4, leasted in the SE/4 SE/4, both in said Section 5.
- (8) That the operation of the unterflood project havein authorized shell be governed by the provisions of Rule 701 of the Commission Rules and Regulations, except that all producing wells in the unit shall be assigned aspectly allowables.
- (9) That monthly progress reports on the subject veterflood project shall be submitted to the Commission in accordance with bule 704 and Rule 1119 of the Commission Rules and Regulations.
- (10) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may does necessary.

DOME at South Po, How Mexico, on the day and year howeinabove designated.

OIL COMBERGAÇION CONMINGEN

RIVIN L. KECKER, Chairman

E. S. WALKER, Mariber

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

* # A L

BEFORE THE OIL COMBENVATION COMMISSION OF THE STATE OF NEW MEXICO

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

> CASE No. 2293 Order No. R-1994

APPLICATION OF GREAT WESTERN DRILLING COMPANY FOR APPROVAL OF THE GRAIN QUEEN UNIT AGRESSMENT, FOR PERMISSION TO INSTI-TUTE A WATERFLOOD PROJECT THERRIN, AND FOR SPECIAL RULES GOVERNING SAID WATER-FLOOD PROJECT, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE CONSCISSION:

This cause came on for hearing at 9 o'clock a.m. on May 24, 1961, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Eules and Regulations.

MOW, on this 8th day of June, 1961, 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,

FIMDS:

- (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, Great Western Drilling Company, seeks approval of the Grain Queen Unit Agreement, which unit embraces 200 acres of State and fee lands in Township 13 South, Range 32 East, MAPM, Lea County, New Mexico, described as follows:

Section 5: SE/4 NW/4, NE/4 SW/4 and the S/2 SW/4 Section 8: NE/4 NW/4

- (3) That the proposed unit plan will in principle tend to promote the conservation of oil and gas and the prevention of waste.
- (4) That the applicant further seeks permission to institute a waterflood project in said Grain Queen Unit Area, and seeks

-2-CASE No. 2293 Order No. 2-1994

the promulgation of special rules governing said project, including a provision for special allowables.

- (5) That due to the size and location of said unit with respect to the capacity-type waterflood project immediately West of the subject unit, all producing wells therein should be assigned a capacity allowable.
- (6) That all of the producing wells in the unit have reached an advanced state of depletion and are properly classified as "stripper" wells.

IT IS TERREFORE ORDERED:

- (1) That the Grain Queen Unit Agreement as proposed by the applicant, Great Western Drilling Company, is hereby approved.
 - (2) (a) That the unit area shall be:

MEN MEXICO PRINCIPAL MERIDIAN

TOWNSHIP 13 SOUTH, RANGE 32 RAST. LEA COUNTY, NEW MEXICO

Section 5: 8E/4 HM/4, HE/4 SW/4

and the 8/2 SW/4

Section 8: NE/4 HM/4

containing 200 acres, more or less.

- (b) That the unit area may be enlarged or contracted as provided in the unit agreement, provided, however, that administrative approval for expansion or contraction of the unit area must be obtained from the Secretary-Director of the Commission.
- (3) That the unit operator periodically shall file with the Commission a statement of progress summarizing operations for the exploration and development of all lands committed to said unit. This statement of progress shall be filed within 30 days after the expiration of each six-months period during the term of the unit agreement.
- (4) That the unit operator shall file with the Commission an executed original or executed counterpart of the unit agreement within 30 days after the effective date thereof.
- (5) That any party owning rights in the unitized substances who does not commit such rights to said unit agreement before the effective date thereof may thereafter become a party thereto by subscribing to or ratifying such agreement.

-3-CASE No. 2393 Order No. 2-1994

- (6) That this order shall become effective on June 1, 1961, or upon the approval of said unit agreement by the Commissioner of Public Lands for the State of New Mexico, whichever is later, and shall terminate ipso facto upon the termination of said unit agreement. The last unit operator shall immediately notify the Commission in writing of such termination.
- (7) That the applicant is hereby authorized to institute a waterflood project in said Grain Queen Unit Area by the injection of water into the Queen formation through its State "R" Well Ho. 4, located in the SE/4 SW/4, and through its State "S" Well Ho. 4, located in the SE/4 SW/4, both in said Section 5.
- (8) That the operation of the waterflood project herein authorized shall be governed by the provisions of Rule 701 of the Commission Rules and Regulations, except that all producing wells in the unit shall be assigned capacity allowables.
- (9) That monthly progress reports on the subject waterflood project shall be submitted to the Commission in accordance with Rule 704 and Rule 1119 of the Commission Rules and Regulations.
- (10) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

> STATE OF NEW MEXICO OIL COMMERVATION COMMISSION

EDWIN L. MECHEM, Chairman

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

DRAFT

Pm/

RSM/esr June 5, 1961

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

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

CASE No. 2293

Order No. R-

APPLICATION OF GREAT WESTERN DRILLING COMPANY FOR APPROVAL OF THE GRAIN QUEEN UNIT AGREEMENT, FOR PERMISSION TO INSTITUTE A WATERFLOOD PROJECT THEREIN, AND FOR SPECIAL RULES GOVERNING SAID WATERFLOOD PROJECT, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on

May 24 , 1961, at Santa Fe, New Mexico, before Elvis A. Utz

Examiner duly appointed by the Oil Conservation Commission of New
Mexico, hereinafter referred to as the "Commission," in accordance
with Rule 1214 of the Commission Rules and Regulations.

NOW, on this day of <u>June</u>, 1961, 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, Great Western Drilling Company, seeks approval of the Grain Queen Unit Agreement, which unit embraces 200 acres of State and fee lands in Township 13 South, Range 32 East, NMPM, Lea County, New Mexico, described as follows:

Section 5: SE/4 NW/4, NE/4 SW/4 and the S/2 SW/4
Section 8: NE/4 NW/4

- (3) That the proposed unit plan will in principle tend to promote the conservation of oil and gas and the prevention of waste.
- (4) That the applicant further seeks permission to institute a waterflood project in said Grain Queen Unit Area, and seeks the promulgation of special rules governing said project, including a provision for special allowables.

-2CASE No. 2293 immediately west of the subject unit,

- (5) That due to the size and location of said unit, all producing wells therein should be assigned a capacity allowable.
- (6) That all of the producing wells in the unit have reached an advanced state of depletion and are properly classified as "stripper" wells.

IT IS THEREFORE ORDERED:

- (1) That the Grain Queen Unit Agreement as proposed by the applicant, Great Western Drilling Company, is hereby approved.
 - (2) (a) That the unit area shall be:

NEW MEXICO PRINCIPAL MERIDIAN

TOWNSHIP 13 SOUTH, RANGE 32 EAST, LEA COUNTY, NEW MEXICO

Section 5: SE/4 NW/4, NE/4 SW/4 and the S/2 SW/4 Section 8: NE/4 NW/4

- (b) That the unit area may be enlarged or contracted as provided in the unit agreement, provided, however, that administrative approval for expansion or contraction of the unit area must be obtained from the Secretary-Director of the Commission.
- (3) That the unit operator periodically shall file with the Commission a statement of progress summarizing operations for the exploration and development of all lands committed to said unit.

 This statement of progress shall be filed within 30 days after the expiration of each six-months period during the term of the unit agreement.
- (4) That the unit operator shall file with the Commission an executed original or executed counterpart of the unit agreement within 30 days after the effective date thereof.
- (5) That any party owning rights in the unitized substances who does not commit such rights to said unit agreement before the effective date thereof may thereafter become a party thereto by subscribing to or ratifying such agreement.
- (6) That this order shall become effective on June 1, 1961, or upon the approval of said unit agreement by the Commissioner of Public Lands for the State of New Mexico, whichever is later, and shall terminate <u>ipso facto</u> upon the termination of said unit agreement. The last unit operator shall immediately notify the Commission in writing of such termination.

- (7) That the applicant is hereby authorized to institute a waterflood project in said Grain Queen Unit Area by the injection of water into the Queen formation through its State "R" Well No. 4, located in the SE/4 NW/4, and through its State "S" Well No. 4, located in the SE/4 SW/4, both in said Section 5.
- (8) That the operation of the waterflood project herein authorized shall be governed by the provisions of Rule 701 of the Commission Rules and Regulations, except that all producing wells in the unit shall be assigned capacity allowables.
- (9) That monthly progress reports on the subject water-flood project shall be submitted to the Commission in accordance with Rule 704 and Rule 1119 of the Commission Rules and Regulations.
- (10) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated. Case 2283 Leard 5-24-61 Rec. 6-5-61 1. Frank Great Wistern the following i (a approval of their anit of agreeselent. consisting J. Sec. 5t, 5 thus, NESW, 5/25W; De. E. NENW, alli. 135-325, (b) approved to institute a waterflood project on on said unit and approve the following wellows was highertion (1) S.W - State "P" # 4 " - Stale "3" # 4 (c) assign special allowable forther unit that heing cupanty (d) approval to coomingle the paroduction. Vinit is 100 % unitiged

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. Order No. THE APPLICATION OF FOR THE APPROVAL OF UNIT AGREEMENT EMBRACING ACRES, MORE OR LESS, LOCATED IN TUNNSHIP _, RANGE NMPM, COUNTY, NEW MEXICO. ORDER OF THE COMMISSION BY THE COMMISSION: This cause came on for hearing at _ o'clock m. on at ______, New Mexico, before ___ __day of ______, the Commission, a quorum being NOW, on this present, having considered and being fully advised in the premises, (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 proposed unit plan will in principle tend to promote the conservation of oil and gas and the prevention of waste. IT IS THEREFORE ORDERED: (1) That this order shall be known as the ____ UNIT AGREEMENT ORDER. (2) (a) That the project herein referred to shall be known as the Unit Agreement and shall hereinafter be referred to as the "Project." (b) That the Plan by which the project shall be operated shall be embraced in the form of a unit agreement for the development and operation of the Unit Area, referred to in the Petitioner's petition and filed with said petition, and such plan shall be known as the ____Unit Agreement Plan. (3) (a) That the Unit Agreement Plan shall be, and hereby is, approved in principle as a proper conservation measure; provided, however, that which are now, or may hereafter, be vested in the New Mexico Oil Conservation Commission by law relative to the supervision and control of operations for exploration and development of any lands committed to said Unit Agreement, or relative to the production of oil and gas therefrom.

Ord 		/s >						_
١٤			. the unit ope	17-14 01-4				
for	the explora	tion and	development o	f any lands	committed t	o said	morranie o	ber actors
y Uni	t Agreement.	This s	tatement of pr	ogress shall	l be filed w	rithin 30 da		
			nonths period					
b con			iata as may be				etermine t	he progr
t bei	ite made in o					ca.		
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		TOW	NSHIP		, RANGE			
con	taining		acres more	or less.				
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10te 7		(b) The	acres more unit area may not so provid	be enlarge	d or contrac	cted as prov	r ided in sa	aid Plan.
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and shall terminate <u>ipso</u> <u>facto</u> upon the termination of said unit agreement. The last unit operator shall immediately notify the Commission in writing of such termination.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

- , Chairman
- , Member
- , Member & Secretary

In Reply: Refer to Unit Division

June 22, 1961

Great Western Drilling Company Best 1659 Midland, Tonne

> Re: Grain Queen Unit Agreement, Lea County: New Mexico

Attention: Mr. S. H. Sneddy

Ganthenen:

The Courissioner of Public Lands has approved the Grain Queen Unit Agreement as of June 22, 1961.

We are employing five Cartificates of Approval.

We assume the effective date of this unit will be as of July 1, 1961, will you please varify this effective date.

Very truly yours,

E. S. JOHNST WALKER CHRISSIONER OF PUBLIC LANDS

TT

Ted Bilberry, Expervisor Oil and Gas Division

Enc: ec: ecc ESE/max/v



STATE OF NEW MEXICO

STATE ENGINEER OFFICE

SANTA PE

S, E, REYNOLDS

May 9, 1961

ADDRESS CORRESPONDENCE TO: STATE CAPITOL SANTA FE, N. M.

Mr. A. L. Porter, Jr. Secretary-Director Oil Conservation Commission Santa Fe, New Moxico

Dear Mr. Porter:

Reference is made to the application of Great Western Drilling Company which seeks approval of their proposed Grain Queen Unit Agreement for the purpose of secondary recovery operations, for authority to institute a water flood project in the Caprock Queen Pool and for the expansion thereof by administrative procedure, and for authority to commingle the production from all wells producing unitized substances within the unit area in Lea County, New Mexico, which was received in this office on May 8, 1961.

I have discussed this application with Mr. John Hampton, Chief Production Engineer for Great Western Drilling Company by telephone this date. He states that the surface casing had cement circulated to the surface and that injection will be through tubing and packer. With this information, in addition to that contained in the application and the exhibits forwarded to this office, I have reached the conclusion that the approval of this application will not constitute a threat to the fresh waters which exist in the area. Therefore, this office offers no objection to the approval of this application.

FEI/ma

cc-Great Western Drilling Co. Attn. Mr. John Hampton

Mr. S. B. Christy, IV Hervey, Dow & Hinkle

F. H. Hennighausen

Yours very truly,

S. E. Reynolds State Engineer

By: Frank E. Irby

Chief

Water Rights Division

No. 15-61

DOCKET: EXAMINER HEARING - WEDNESDAY, MAY 24, 1961

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Elvis A. Utz, examiner, or Daniel S. Nutter, as alternate examiner:

CASES 2291 through 2296 will not be heard before 1:30 p.m.

CASE 2280:

Application of Continental Oil Company for a non-standard gas proration unit and for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of a 240-acre non-standard gas proration unit in the Eumont Gas Pool consisting of the E/2 E/2, SW/4 SE/4 and the SE/4 SW/4 of Section 17, Township 21 South, Range 37 East, Lea County, New Mexico, to be dedicated to its Lockhart A-17 Well No. 2, at an unorthodox location 1980 feet from the South line and 660 feet from the East line of said Section 17.

CASE 2281:

Application of Continental Oil Company for an exception to Rule 309 (a), Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to commingle the Maljamar Pool production from all wells presently completed or hereafter drilled on its Taylor Lease, comprising the SW/4 of Section 14, Township 17 South, Range 32 East, Lea County, New Mexico, and on its Federal Miller BX Lease, comprising the E/2 of said Section 14, after separately metering the production from each lease.

CASE 2282:

Application of Continental Oil Company for an amendment of Order No. R-1602. Applicant, in the above-styled cause, seeks an amendment of Order No. R-1602 changing the effective date thereof and making the provisions of said order effective as of March 1, 1960.

CASE 2283:

Application of Skelly Oil Company for an exception to Rule 303 (a), Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to commingle the Denton (Devonian) Pool production and the Denton-Wolfcamp Pool production on its Mexico "F" Lease comprising Lots 1, 2, 3, and 4, the SW/4 NE/4 and the SW/4 NW/4 of Section 2, Township 15 South, Range 37 East, Lea County, New Mexico, and to allocate the production to each well in each pool on the basis of periodic well tests.

CASE 2284:

Application of Skelly Oil Company for an exception to Rule 303 (a), Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to commingle the oil production from the Hare and Drinkard Pools with the distillate production from the Blinebry and Tubb Gas Pools on its E. A. Sticher Lease, consisting of the N/2 SW/4 of Section 4. Township 22 South, Range 37 East, Lea County, New Mexico, and to allocate the production to each well in each pool on the basis of periodic well tests.

CASE 2285:

Application of Texaco Inc., for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location in the Tubb Gas Pool for its A. H. Blinebry NCT-1 Well No. 8, located 1980 feet from the North line and 330 feet from the West line of Section 33, Township 22 South, Range 38 East, Lea County, New Mexico.

CASE 2286:

Application of Aztec Oil & Gas Company for an exception to Rule 309 (a), San Juan County, New Mexico. Applicant, in the above-styled cause, seeks permission to commingle the Totah-Gallup Pool production from the following-described leases, all in Township 29 North, Range 13 West, San Juan County, New Mexico.

Federal Lease No. SF 079065 in Sections 19, 20 and 29.

State Lease B-11017-23 comprising in pertinent part the SW/4 NW/4 of Section 20.

State Lease B-11017-21 comprising in pertinent part the NW/4 NW/4 of Section 20.

Smith-Eaton Lease comprising in pertinent part the NE/4 SE/4, SE/4 NE/4 and the E/2 NW/4 of Section 20.

Applicant proposes to commingle said production in a common tank battery located on the SW/4 of said Section 20 after separately metering the production from the State and fee leases only.

CASE 2287:

Application of Aztec Oil & Gas Company for an exception to Rule 309 (a), San Juan County, New Mexico. Applicant, in the above-styled cause, seeks permission to commingle the Totah-Gallup Pool production from five separate fee leases, all located in Section 18, Township 29 North, Range 13 West, San Juan County, New Mexico.

CASE 2288:

Application of Southwest Production Company for two nonstandard gas proration units, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of two non-standard gas proration units in the Basin-Daketa Gas Pool, San Juan County, New Mexico, described as

- (1) W/2 of Section 7, Township 30 North, Range 11 West, follows: except the 3.39-acre tract therein owned by Harold M. Brimhall and Maleta Y. Brimhall, comprising the sum total approximately
- (2) E/2 of Section 7, Township 30 North, Range 11 West, 327.01 acres. except the S/2 SW/4 SE/4; comprising in sum total approximately

CASE 2289:

Application of Aspen Crude Purchasing Company for three non-. 300 acres. standard oil proration units, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of the following-described non-standard oil proration units in and adjacent to the Cha Cha-Gallup Oil Pool:

- (1) Lot 1 and the S/2 SE/4 of Section 7, Township 28 North, Range 13 West;
 - (2) Lot 5 and the SE/4 SW/4 of said Section 7; and
- (3) Lots 2, 3 and 4 of said Section 7, and 40.81 acres located between said Section 7 and Section 36, Township 29 North, Range 14 West;

all in San Juan County, New Mexico.

CASE 2290:

Application of Aspen Crude Purchasing Company for three nonstandard oil proration units and for an unorthodox well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of the followingdescribed non-standard oil proration units adjacent to the Totah-Gallup Oil Pool in Section 11, Township 28 North, Range 13 West, San Juan County, New Mexico:

(1) Lots 1 and 2 and the SE/4 SE/4, comprising 97.78 acres, to be dedicated to a well at a non-standard location 263 feet from the North line and 700 feet from the East line of said Section 11.

CASE 2290: (Cont.)

- (2) Lots 3 and 4 and the SW/4 SW/4, comprising 97.58 acres.
 - (3) SW/4 SE/4 and the SE/4 SW/4, comprising 80 acres.

The following cases will not be heard before 1:30 p.m.

CASE 2291:

Application of Pan American Petroleum Corporation for an exception to Rule 303 (a), Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to commingle, prior to measurement, the Paddock, Brunson and Wantz-Abo pool production from all wells on its Hugh Corrigan Lease, comprising the NE/4 SE/4 of Section 33, Township 21 South, Range 37 East, Lea County, New Mexico, and to allocate production to each well in each pool on the basis of periodic well tests.

CASE 2292:

Application of Humble Oil & Refining Company for permission to take interference tests and transfer allowables in the Cha-Gallup Oil Pool, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks permission to take interference tests in the Cha Cha-Gallup Oil Pool, San Juan County, New Mexico, by shutting in its Navajo Tribe "L" Well No. 4, located in the SW/4 SE/4 of Section 26, Township 29 North, Range 14 West, and transferring its allowable to other wells on the same basic lease in such a manner that no well will produce more than 125% of its monthly allowable.

CASE 2293:

Application of Great Western Drilling Company for approval of the Grain Queen Unit Agreement, for permission to institute a waterflood project therein, for special rules governing said waterflood project including a provision for special allowables, and for permission to commingle the production from all leases in said unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Grain Queen Unit Agreement, which unit embraces 200 acres of State and fee lands in Township 13 South, Range 32 East, Lea County, New Mexico, described as follows:

CASE 2293: (Cont.)

Section 5: SE/4 NW/4, NE/4 SW/4 and the S/2 SW/4

Section 8: NE/4 NW/4

Applicant further seeks permission to institute a waterflood project in said Grain Queen Unit Area and seeks the promulgation of special rules governing said project including a provision for special allowables. Applicant further seeks permission to commingle the unitized substances produced from all leases in said Grain Queen Unit Area without separate measurement in tanks on each individual lease.

CASE 2294:

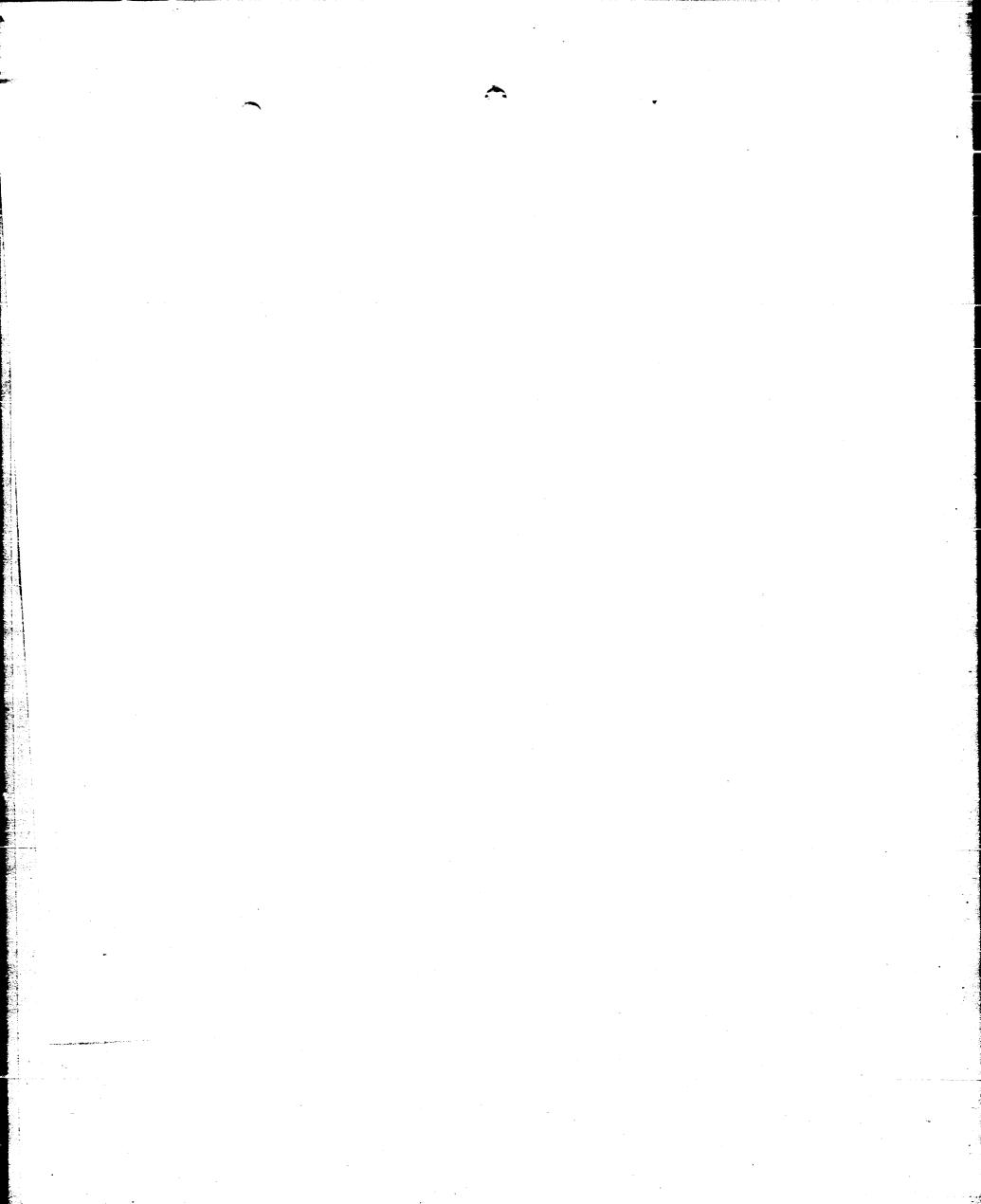
Application of El Paso Natural Gas Company for authorization to conduct maximum pressure build-up tests. Applicant, in the above-styled cause, seeks authorization to conduct maximum pressure build-up tests in the Blanco-Mesaverde Gas Pool, the Aztec-Pictured Cliffs Gas Pool, the Ballard-Pictured Cliffs Gas Pool, the Fulcher Kutz-Pictured Cliffs Gas Pool, and the South Blanco-Pictured Cliffs Gas Pool, San Juan and Rio Arriba Counties, New Mexico. Applicant further seeks establishment of special rules governing said tests including a provision authorizing the non-cancellation and/or transfer of allowables from wells to be shut-in in each pool and including a provision allowing substitute tests by administrative approval.

CASE 2295:

Application of Consolidated Oil & Gas, Inc. for a dual completion, a non-stendard gas proration unit and for an unorthodox gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of a 325.23-acre non-standard gas proration unit in the Basin-Dakota Gas Pool and in the Blanco-Mesaverde Gas Pool consisting of the S/2 of Section 34, Township 32 North, Range 13 West, San Juan County, New Mexico, said unit to be dedicated to its Robinson Brothers Well No. 1, proposed to be dually completed in said pools at an unorthodox gas well location for said pools at a point 1235 feet from the South line and 760 feet from the East line of said Section 34.

CASE 2296:

Application of Consolidated Oil & Gas Inc., for an order force-pooling a standard 320-acre proration unit in the Basin-Dakota Gas Pool, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order force-pooling all mineral interests in the Basin-Dakota Gas Pool in the E/2 of Section 10, Township 31 North, Range 13 West, San Juan County, New Mexico, to form a standard 320-acre gas proration unit.



1.12 7899 CEPTOR OF THE CONCINEROUSE OF PHOLIC LAWS STATE LAID OFFICE SAMEA FR. MEN MEXICO APPLICATION FOR APPROVAL

TO: Consignate of Public Lends State Land Office Sents No. Nor Marico

Comes now the undersigned, GREAT MESTERN DEVILLING COMPANY, whose address is New 1659, Midland, Texas, and heroby makes application for the approval of the Ordin Queen West Agreement enhancing the following described land situated in Lea County, in incies, to-wit:

Township 13 South, Range 32 Rest. H.M.P.M.

Section 5: SSM, HELDE, SIGN,

equinizing 200 seres, more or loss, and in separat thereof states:

- 1. The present thit Area is compand of 160 acres of State of Now Musice lands and 48 agenc of privately enoug lands. The all and gas leases severing said lands are nor proticularly deseribed in Mathit "M" to each West Agreement, and two copies of wild that Agreement and one vopy of the attendant that Operating Agreement are attached to this Application and merked respectively Babibes "I" and "2".
- 2. (a) That such that Agreement will tend to promote the conservation of all and gas and the better utilization of receivable desire.
- (h) That under the proposed that operations, the State of Nor Device will receive its fair share of the recoverable of and goe in place under its lands in the semeson that Assa.

- (a) That such beneficiary institution of the State of the State of the State will receive its fair and equipole share of the reservable oil and gos under its lands within the Bult Arga.
- (d) That such Buit Agreement is in other respects for the best interest of the State of Nov Musico with respect to State land.
- over all or substantially all of the available lands assessmy for the effective and efficient institution of a secondary securery operation by the institution of a unterflood project, the various precedents of which are set forth in detail either in the attacked Unit Agreement, or in the application unde by this Applicant to the Her Murice Oil Conservation Countaries in Once No. ________ a copy of which such application is librated attacked hereto and method National Philips and Ser the best interest of the State of New Murice.
- 4. A filing for in the ensunt of \$30.00 is submitted here-

MEMORIE, Applicant respectifully requests that said built Agreement be approved by the Countestener of Public Lands of the State of New Marios as provided by law and applicable regulation.

1961.

MENT HEREIN METLETS COMPANY

Not 10, Requell, Nor Marks

Attorneys for the Applicant

BEFORE THE OUT. CONSERVATION COMMISSION

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF GREAT WESTERN DRILLING COMPANY FOR APPROVAL OF THE GRAIN QUEEN UNIT AGREEMENT FOR THE PURPOSE OF SECONDARY RECOVERY OPERATIONS, FOR AUTHORITY TO INSTITUTE A WATER-FLOOD PROJECT IN THE CAPROCK QUEEN POOL AND FOR EXPANSION THEREOF BY ADMINISTRATIVE PROCEDURE, AND FOR AUTHORITY TO COMMINGLE THE PRODUCTION FROM ALL WELLS PRODUCING UNITIZED SUBSTANCES WITHIN THE UNIT AREA; ALL IN LEA COUNTY, NEW MEXICO

Case No. 2293

5:

TO: The Oil Conservation Commission State of New Mexico Santa Fe, New Mexico

Comes now the Applicant, GREAT WESTERN DRILLING COMPANY, whose address is Box 1659, Midland, Texas, and files herewith a copy of the proposed Grain Queen Unit Agreement (identified as Exhibit 1 to this Application) for the development and operation of the Grain Queen Unit Area in Lea County, New Mexico, and hereby makes application for (i) approval of the Grain Queen Unit Agreement for the purpose of secondary recovery operations, (ii) for authority to institute a waterflood project in the Caprock Queen Pool and for expansion thereof by administrative procedure and to assign special allowable to the wells within such project as are within a buffer zone, and (iii) for authority to commingle the production from all wells producing Unitized Substances (as such is defined in the Unit Agreement) within the Unit Area; and in support thereof states:

Royal !

UNIT AGREEMENT

1. That the proposed Unit Area covered by the Unit Agreement embraces 200 acres more or less, more particularly described as follows:

Township 13 South, Range 32 East, N.M.P.M.

Section 5: SEZNWZ, NEZSWZ, SZSWZ Section 8: NEZNWZ

- 2. That the proposed Unit Area is comprised of 160 acres of State of New Mexico lands and 40 acres of privately owned lands.
- 3. Applicant is informed and believes, and upon such information and belief states: that the lands to be embraced in the proposed Unit Area cover all or substantially all of the available lands necessary for the effective and efficient institution of a secondary recovery operation by the institution of a waterflood project, and that said Unit Agreement will permit the producing area to be developed and operated in the interest of conservation, the protection of correlative rights and the prevention of waste of Unitized Substances.
- 4. That Great Western Drilling Company is designated as Unit Operator in the Unit Agreement, and as such is given authority under the terms thereof to carry on operations necessary and proper for the development and operation of the Unit Area and the recovery of Unitized Substances, subject to all applicable laws and regulations. That said Unit Agreement provides for the institution of a secondary recovery operation by the institution of a waterflood project in the Caprock Queen Pool as more fully stated hereinbelow.

- 5. That said Unit Agreement is in substantially the same form as Unit Agreements heretofore approved by the Commissioner of Public Lands of the State of New Mexico and the Oil Conservation Commission of the State of New Mexico; it is believed that the field or area involved can be developed more economically and efficiently under the terms of said Unit Agreement to the end that the maximum recovery of Unitized Substances can be obtained without the violation of correlative rights.
- 6. That application has been made for the approval of said Unit Agreement to the Commissioner of Public Lands of the State of New Mexico, and that prior to the hearing on this Application, informal approval of the form and context of said Unit Agreement will be obtained from the Commissioner. That after formal approval thereof by the Commissioner, a fully executed and approved copy of the Unit Agreement, and a copy of such approval by the Commissioner, will be filed with this Commission.

II.

WATERFLOOD PROJECT

- 1. A plat showing the location of the proposed injection wells and the location of all other wells within a radius of two miles of said proposed injection wells, and the formation from which said wells are producing or have produced is attached hereto and marked Exhibit 2 to this Application. Said plat also indicates the lessees (or Unit Operators) within said two mile radius.
- 2. All available logs of the proposed injection wells (being Wells "R" No. 4 and "S" No. 4) are filed herewith.
- 3. The proposed injection wells' casing program is as follows: the injection wells' casing is $4\frac{1}{2}$ inch to $5\frac{1}{2}$ inch casing set at the top of the Queen Formation pay zone. The proposed

method for testing casing before use of the injection wells will be in conformity with the established rules of the Commission, including Rule 107 and 702, and all other applicable law and regulation.

- 4. (a) The name and depth of the zone or formation into which injection will be made is the Queen Sand formation, which is defined in said Unit Agreement as and to mean that heretofore established underground reservoir, a member of the Queen formation of the Guadalupe Series, a part of the Permian System, which is found at 3018 to 3026 feet in the Great Western Drilling Company State TT #1 Well located 660' FNL & 660' FEL, Sec. 2, T. 13 S., R. 31 E., N.M.P.M.
 - (b) The kind of fluid to be injected is water.
- (c) The anticipated amount to be injected is estimated at approximately 500 barrels of water daily to "fill up" and thereafter a decreasing amount of water sufficient to maintain effective and efficient secondary recovery operations.
- (d) The source of the injection fluid is fresh water to be obtained by purchase from the Unit Operator of the North Caprock Queen Unit No. 1, which Unit lies immediately west and adjacent to the Grain Queen Unit Area.
- 5. In view of the production and allowables assigned to surrounding wells, it is believed that the above lands and wells are best susceptible to a water flood project rather than a pressure maintenance project.
- 6. Applicant requests that an allowable be assigned to this waterflood project in accordance with applicable rule and regulation, and in this connection Applicant states that all of the initial project area is within a buffer zone and as such is entitled to a special allowable for the protection of correlative rights in conformity with Rule 701 of this Commission.

- 7. The initial project area proposed under this Application embraces all of the Unit Area; however, the Unit Agreement provides for expansion of the Unit Area, and in the event of such expansion Applicant requests that the Order entered approving this waterflood project provide that an expansion of the waterflood project may be authorized by administrative procedure in accordance with applicable rule or regulation.
- 8. Applicant has made compliance with the Commission's Memorandum No. 5-58, dated January 31, 1958.

III.

COMMINGLING

- 1. Applicant requests permission to commingle the production of Unitized Substances from all leases within the exterior boundaries of the above Unit Area. Applicant is informed and believes, and upon such information and belief states: that such commingling will neither cause waste nor impair correlative rights and that all production so proposed to be commingled is uniform and similar in composition, gravity, and component parts.
- 2. As an exception to Rule 309 (a) of this Commission, Applicant further requests authority to transport Unitized Substances from the unitized formations in the various leases within the exterior boundaries of the Unit Agreement prior to such Unitized Substances having been received and measured into tanks located on the individual leases. Applicant believes and states that adequate tankage and other equipment can be installed so that production from the Unit Area can be accurately determined at reasonable intervals without separately measuring such Unitized Substances in tanks located on the individual leases. In this connection it is proposed to transport such Unitized Substances from as many as 3 wells within the Unit Area to one central location

within the Unit Area for the purpose of receiving and measuring such production. Appropriate lines will be laid from each well into the central gathering system.

3. Applicant offers to comply with all reasonable rules and regulations of the Commission relative to the testing, storage and metering of the Unitized Substances requested to be so commingled, and Applicant further offers to file all required, or reasonably requested, reports in connection therewith.

WHEREFORE, Applicant respectfully requests that this Application be set before an Examiner Hearing at Santa Fe, New Mexico, and that upon such hearing the Commission enter its Order:

- (a) Approving in principal as a proper conservation measure the Grain Queen Unit Agreement; provided however that notwithstanding any of the provisions contained in said Unit Agreement that such approval not be considered as waiving or relinquishing in any manner any right, duty or obligation which now, or may hereafter be, vested in the New Mexico Oil Conservation Commission by law relative to the supervision and control of operations for the exploration and development of any land committed to the Grain Queen Unit Agreement, or relative to the production of oil or gas therefrom; and,
- (b) Designate the Unit Area of the Grain Queen Unit as the lands described in Paragraph I, 1, hereinabove, and provide that the Unit Area may be expanded or contracted as provided in said Unit Agreement; and,
- (c) Authorize Applicant as Operator of the Grain Queen Unit to institute a waterflood project in the manner and mode set forth in Paragraph II, hereinabove, including the authority to expand such waterflood project, in the event the Unit Area is expanded, by administrative procedure in accordance with applicable rule; and,

- (d) Assign a special allowable to said waterflood project equal to the capacity of the wells within the waterflood project to produce Unitized Substances; and,
- (e) Commingle the production from separate leases within the Unit Area and to produce all Unitized Substances within the Unit Area into a common tank battery in the mode and manner set forth in Paragraph III hereinabove.

DATED this 3rd day of May, 1961.

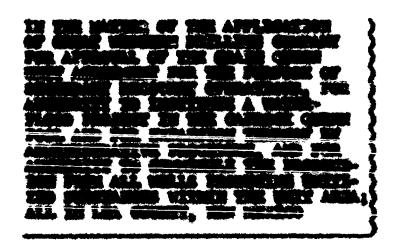
GREAT WESTERN DRILLING COMPANY

S. B. Christy

Box 10 V Roswell, New Mexico

Attorneys for the Applicant

MATERIA THE GET. COMMERCIANISM CHARLESTON #30.5% OF NEW MEXICO



and 122.93

To: The Oil Comportation Counterior State of Nor Maries South No. Nor Maries

comes now the Applicant, CRAST VESTERS SETZZENS COMMIN, where address is New 1650, Middeni, Sente, and files berealth a copy of the proposed Comin Queen Unit Agreement (Limitified as Malibit 1 to this Application) for the development and approxim of the Crain Queen Unit Assa in Les County, includes, and bessey where application for (1) approved of the Crain Queen Unit Agreement for the purpose of secondary receivery operations, (11) for authority to institute a unterfined purpose in the deposet Queen Peel and for aspendion thurstof by adulationative precedure and to author for aspendix allowable to the units within such project as one within a buffer some, and (111) for authority in consingle the protection from all units producing Unitined Substances (so such in defined in the Unit Agreement) within the Unit Autor; and in apparet themsel sentence

THE ACCOUNT

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- 2. That the proposed built Area is comprised of 160 acros of State of the Muchon hands and 40 acros of privately owned lands.
- 3. Applicant is informal and believes, and upon such indescription and belief states: that the leads to be entranced in
 the purposed that Area over all or substantially all of the
 evaluable leads assessmy for the effective and efficient institution of a secondary standary operation by the institution
 of a unconfined purpose, and that said that Agreement will purmit the producing even to be developed and executed in the tetensor of construction, the protection of consulative rights
 and the provention of uness of thickens.
- 4. That Great Vepters Drilling Corpus is designated as Suit Operator in the Unit Agreement, and as such is given authority under the same thousal to early an eparations necessary and proper for the development and operation of the Unit Assa and the recovery of Unitimed Debatement, subject to All applicable laws and regulations. That said Unit Agreement provides for the implication of a encountry recovery operation by the implication of a unberdiaglest in the Copyrol Quant Table as some Sully stated histologies.

- 5. That said their Agreement is in animatably the same from as their Agreements best form approved by the Consistence of Public Lands of the State of the Markov and the till Comparedtion Consistence of the State of the Markov; it is believed that the Civil or area involved can be developed uses accountably and affilelently under the terms of said their Agreement to the and that the markov recovery of Valcinoi Substances can be demined without the violation of correlative rights.
- 6. Then application has been unde for the acceptal of said this Agreement to the Counterland of Public Lands of the Motte of the Mario, and that prior to the bearing on this Application, induced approval of the form and content of said this Agreement will be obtained from the Counterlands. That often formal approval thereof by the Counterlands, and a copy of such approval by the Counterlands, and a copy of such approval by the Counterlands, and a copy of such approval by the Counterlands, and a copy of such approval.

11.

SHOWING PROJECT

- I. A pick chanted the location of the proposed imposion walks and the location of all other walks within a motion of two miles of anid proposed impostion walks, and the formation from which said walks are producing or have produced in standard house and maked indibits 2 to this Application. Said plat sho indianas the locates (or link Gyanstore) within said two wile saides.
- 2. All entitable logs of the proposed injection wills (Long Valle "2" No. 4 and "5" No. 4) are flied because.
- 5. The purposed injection wills' eacing program is as follows: the injection wills' eacing is 4½ inch to 5½ inch estaing set at the top of the Queen Mountiles pay some. The proposed

method for testing easing before use of the injection wells will be in confereity with the established rules of the Coumission, including Rule 107 and 702, and all other applicable law and regulation.

- 4. (a) The name and depth of the zone or fermation into which imjection will be made is the Green Sand formation, which is defined in said Unit Agreement as and to mean that heretefore established underground recorreir, a member of the Green formation of the dualshape Series, a part of the Permian System, which is found at 3018 to 3026 feet in the Great Western Drilling Company State TT /1 Well located 660' PML & 660' PML, Sec. 2, T. 13 S., R. 31 R., N.K.P.M.
 - (b) The kind of fluid to be injected is water.
- (e) The anticipated amount to be injected is estimated at approximately 500 berrols of water daily to "fill up" and thereafter a decreasing amount of water sufficient to maintain effective and efficient secondary recovery operations.
- (d) The source of the injection fluid is fresh water to be estained by purchase from the Unit Operator of the North Operator Queen Unit No. 1, which Unit lies immediately west and ediscout to the Orein Gueen Unit Area.
- 5. In view of the production and allowables assigned to surrounding wells, it is believed that the above lands and wells are best superptible to a water flood project rather than a pressure maintenance project.
- 6. Applicant requests that an allowable be assigned to this naturalised project in assortance with applicable rule and regulation, and in this connection Applicant states that all of the initial project area is within a buffer some and as such is entitled to a special allowable for the protection of correlative rights in conformity with Rule 701 of this Commission.

- The initial project area proposed under this application ashuman all of the limit area, because, one unit agreement provides for expension of the limit area, and in the event of such expension applicant requests that the Order entered approving this unsurfaced project provide that an expension of the unturfied project my be authorized by administrative procedure in accordance with applicable rule or required.
- 6. Applicant top unds compliance with the Counterion's Museumahum No. 5-50, dated January 31, 1950.

III.

COLUMN TO SERVICE

- i. Applicant requests peculation to comingle the production of Unitioni Schedules Som all letter within the exterior boundaries of the above Unit Area. Applicant is informed and believes, and upon such information and belief status: that such consisting will neither cause waste nor impair occuplative rights and that all production so proposed to be continged to uniform and similar in composition, gravity, and component party.
- 2. As an acception to halo 309 (a) of this Consistion, Applicant further requests authority to transport Unitined Substances from the unitimed Samuttions in the various leaves within the emeries boundaries of the Unit Agreement prior to such Unitimal Substances having been received and measured into innin leavest on the individual leaves. Applicant believes and states that adopaths tenhage and other aquipment can be installed so that production from the Unit Area can be securetally determined at receivable intervals without separately measuring such Unitized Substances from it is proposed to tetraport such Critical Substances from an many in 3 wills within the Unit Area to one control leaves.

within the Wait Area for the purpose of receiving emi monouring such production. Appropriate lines will be laid from each wall into the control gathering system.

3. Applicant offers to comply with all rescondic rules and regulations of the Commission relative to the testing, studies and metering of the Unitimal Substances requested to be so commission, and Applicant further offers to file all regulard, or remembly requested, reports in commercian therewish.

WEIREFORE, Applicant respectfully requests that this Application be set before an Emminer Hearing at Sents Fe, New Mexico, and that upon such hearing the Countesion enter its Order:

- (a) Approving in principal as a proper conservation measure the Grain Queen Unit Agreement; provided however that notwithstanding any of the provisions contained in anid Unit Agreement that such approval not be considered as waiving or relimquishing in any names any right, duty or obligation which now, or may hereafter be, vested in the New Mexico Oil Conservation Considered by law relative to the supervision and countries of operations for the exploration and development of any land consisted to the Grain Queen Unit Agreement, or relative to the production of oil or gas therefrom; and,
- (b) Dusignate the Unit Area of the Grain Queen Unit as the Lands described in Paragraph I, I, hereinshove, and provide that the Unit Area may be expanded or contracted as provided in said Unit Agreenest; and,
- (c) Authorize Applicant as Operator of the Grain Queen Unit to institute a unterflood project in the manner and node out forth in Paragraph II, harminshove, including the authority to expend such unterflood project, in the event the Unit Area is expended, by edulatorative procedure in accordance with applicable rule; and,

- (4) Applies a special allowable to entit unperficul project equal to the expecitly of the walls within the unperficul project to produce thickeni inheterous and,
- (c) Conducte the production from expenses leaves within the that Area and to produce all their lead to be the training within the talk Area face a common task between in the mode and manner set facts in Tanagatek 222 hospitalova.

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Attorneys for the Applicant

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To: The Oil Goupervation Considerion State of Dir Maries South Pa. Day Maries

Ones are the Applicant, CRAF VERSUE MILLION COMMIT, whose address to Box 1699; Millioni, Tunes, and files becomit a copy of the proposed Grain Queen Buit Agreement (identified as Buillit 1 to this Application) for the development and operation of the Grain Queen Buit Aron in les Granty, How Musico, and heavily rather application for (1) approval of the Grain Queen Buit Agreement for the purpose of accoming recovery operations, (11) for authority to institute a unperficed project in the Gaprock Queen Pool and for expension thousand by administrative precodure and to assign special allowable to the units within such project as are within a buffer sone, and (111) for authority to annually the production from all units producing Builtinoi Substances (as such in defined in the Buit Agreement) within the Buit Agreement)

1. That the proposed bulk Area opened by the Unit Agreement enhances 200 cares were or less, more particularly deserflui as follows:

Toronto 12 Courts, Samon 55 Seed, M.M.S.M.

Soution 5: Elimit, Missit, Sjart Soution 8: Missit

- 2. That the proposed built Area is comprised of 160 series of State of New Mexico Limits and 40 series of privately series.
- J. Applicant is informed and believes, and upon such information and belief status: that the lands to be submood in
 the purposed that Area cover all or substantially all of the
 evaluable lands measurery for the effective and efficient institution of a secondary recovery operation by the institution
 of a unterflood purpose, and that said that Agreement will permit the producing area to be developed and operated in the interest of construction, the protection of correlative rights
 and the provention of votes of thirings theremen.
- A. That deeps Newton Drilling Company is daniganted as This Operator in the Unit Agreement, and as such is given enthanisy under the terms thereof to entry on operations assessing and grapes for the development and operation of the Unit Asses and the senevery of Unitional Schetmann, subject to all applicable laws and regulations. That said Unit Agreement provides for the institution of a secondary recovery operation by the institution of a secondary recovery operation by the institution of a unterflood project in the Operat Quantum Pool as now fully stated harelabelow.

- 5. That main that Appearant in in substantially the same form as that Appearants housestone approved by the Constantance of Public Lands of the State of Her Handso and the Oil Constantial Constants of the State of Her Handso; it is believed that the Stald or mass involved can be developed note dominately under the terms of said that Appearant to the and that the numbers recovery of Raisland Substances can be described white the states of said that Appearant to the said that the numbers recovery of Raisland Substances can be described without the variables of secretaries rights.
- 6. That application has been with the the approval of said but Agreement to the Constantener of Public Lands of the State of the Munico, and that prior to the hearing on this Application, influent approval of the form and content of said but Agreement will be obtained from the Consigniouse. That after formal approval thereof by the Consigniouse, a fully encounted and approval copy of the bulk Agreement, and a copy of such approval by the Constantener, will be filed with this Constantener.

II.

Market Parket

- I. A plat showing the location of the proposed injection walls and the location of all other walls within a smiles of the miles of and proposed injection walls, and the formation from which and walls are producing or have produced in attached became and marked labeled 2 to this Application. Said plat also indicates the locates (or that Operators) within said too side smiles.
- 2. All available logs of the prepused injection wells (being Wells "R" No. 4 and "S" No. 4) are filled because.
- 3. The proposed injection wells' energy program is as follows: the injection wells' energy is 4½ inch to 5½ inch energy set at the top of the Queen Permittion pay seen. The proposed

method for testing easing before use of the injection wells will be in confermity with the established rules of the Commission, including Rule 187 and 702, and all other applicable law and regulation.

- 4. (a) The name and depth of the some or formation into which injection will be used is the Queen Sand formation, which is defined in said Unit Agreement as and to mean that heretofore established underground reservoir, a member of the Queen formation of the Guadalupe Surios, a part of the Peruian System, which is found at 3018 to 3006 feet in the Great Western Drilling Company State TF fl Well lecated 660' FKL & 660' FKL, Sec. 2, 7, 13 5., R. 31 R., E.N.P.H.
 - (b) The kind of fluid to be injected is water.
- (c) The anticipated amount to be injected in estimated at appreximately 500 berrels of water daily to "fill up" and thereafter a decreasing amount of water sufficient to maintain affective and afficient secondary recovery operations.
- (d) The source of the Injection fluid is fresh water to be obtained by purchase from the Unit Operator of the North Caprock Queen Unit He. 1; which Unit lies immediately west and adjacent to the Orain Queen Unit Area.
- 5. In view of the production and allowables essigned to surrounding wells, it is believed that the above lands and wells are best succeptible to a water flood project rather than a pressure maintenance project.
- 6. Applicant requests that an allowable be assigned to this vaterfieed project in ascerdance with applicable rule and regulation, and in this connection Applicant states that all of the initial project area is within a buffer some and as such is entitled to a special allowable for the protection of correlative rights in conformity with Rule 701 of this Commission.

- 7. The initial project area proposal under this Application and and all of the Unix Area, however, the Unix Agreement provides for expension of the Unix Area, and in the event of such expension Applicant requests that the Order external approving this unterflood project provide that an expension of the unterflood project provide that an expension of the unterflood project my be authorized by administrative procedure in accordance with applicable rule or regulation.
- 8. Applicant has unde compliance with the Countraion's Managements No. 5-50, detect January 31, 1938.

III.

CONTRACTOR

- 1. Applicant requests permission to countries the production of Unitized Substances from all leases within the ententier boundaries of the above Unit Area. Applicant is informed and believes, and upon such information and belief sector: that such countries will neither cause waste nor impair countries lative rights and that all production so proposed to be countried to uniform and similar in composition, gravity, and component parts.
- 2. As an emoption to Inic 309 (a) of this Consistion, Applianat Surther requests authority to transport Unitimal Substances from the unitimal Sumstions in the various leaves within the empirical boundaries of the Unit Agreement prior to such Unitimal Substances britished and substances britished into train leaves on the individual leaves. Applicant believes and states that advers tembers and other equipment can be impediate so that production from the Unit Area can be nonuntarily determined at symmethic intervals without separately measuring such Unitimal Substances in turks leaved on the individual leaves. In this excrepation it is proposed to temperat such Unitimes. In this excrepation it is proposed to temperat such Unitimed Substances from an usay as 3 valle within the Unit Area to one central leavetion

which the Balt Ares for the purpose of receiving and uncouring such production. Appropriate lines will be laid from each well into the control gethering system.

3. Applicant offers to emply with all resonable suice and regulations of the Caminatian relative to the testing, stamps and naturing of the Unitional Substances requested to be so comingled, and Applicant Surther offers to file all regulard, or researchly requested, reports in connection therewith.

WHENFORE, Applicant respectfully requests that this Applioutlon be set before on Bussiner Hearing at Sente Fe, Her Maxico, and that upon each hearing the Countries on eater its Coder:

- (A) Approving in principal as a proper conservation measure the drain Queen Bult Agreement; provided however that notality-standing any of the provisions contained in anid Bult Agreement that such approval not be considered as waiving or relinquishing in any manner any right, duty or obligation which now, or may havenflow be, vested in the New Maries Oil Conservation Considered by inv relative to the supervision and control of operations for the exploration and development of any land consisted to the Casia Queen Bult Agreement, or relative to the production of oil or gas therefore; and,
- (b) Busigante the Unit Appn of the Scala Queen Unit as the limits described in Passagraph I, I, hereinshove, and provide that the Unit Appn may be expanded or contracted as provided in sold Unit Appneaut; and,
- (a) Authorize Applicant as Operators of the Option Quant Soit to institute a unterflood project in the names and note set forth in Paragraph II, has instructed, including the authority to expand such unterflood project, in the event the Sait Area is expanded, by administrative procedure in accordance with applicable rule; and,

- (ii) Academ a special allocable to said unterflood project equal to the especity of the walls within the unterflood project to process unitimal theteropes and,
- (a) Comingle the production from separate lances within the the that Aven and to produce all training the the teachers within the trait Aven into a common teak hottory in the mode and namer set forth in Paragraph III haveleashove.

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Attacement for the Applicant