

Casa No.

234

Application, Transcript,
Small Exhibits, Etc.

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. 234
ORDER NO. R-29

THE APPLICATION OF AMERICAN REPUBLICS
CORPORATION FOR AN ORDER GRANTING IT
PERMISSION TO DRILL FOUR UNORTHODOX
LINE "FIVE SPOT" LOCATIONS ON ITS F. M.
ROBINSON "B" LEASE, IN SECTIONS 27 AND
35, TOWNSHIP 17 SOUTH, RANGE 29 EAST,
N.M.P.M., IN THE GRAYBURG-JACKSON POOL
OF EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This matter came on for hearing at 10:00 A. M.
on the 24th day of August, 1950, at Santa Fe, New Mexico,
before the Oil Conservation Commission of New Mexico, here-
inafter referred to as the "Commission".

NOW, on this 5th day of September, 1950,
the Commission, having before it for consideration the
testimony adduced at said hearing, and being fully advised
in the premises,

FINDS:

1. That due public notice having been given,
as provided by law, the Commission has jurisdiction of
this cause.

2. That American Republics Corporation is the
owner and holder of the following described Oil and Gas
Lease, situated in Eddy County, State of New Mexico, to-
wit:

F. M. ROBINSON "B" LEASE, Las Cruces Serial No. 028775(b), described as NE/4, E/2 NW/4 and E/2 SW/4 Section 27; E/2 W/2 and E/2 Section 35, Township 17 South, Range 29 East, N.M.P.M. and containing 800 acres, more or less.

3. That from inception of production to date there have been drilled a total of twenty-four wells on the F. M. Robinson "B" Lease, described above; that two of said wells, F. M. Robinson "B" Well No. 3 and F. M. Robinson "B" Well No. 18, were dry holes and were plugged and abandoned at the time they were drilled; and that there are twenty-two producing wells on the F. M. Robinson "B" Lease at the present time.

4. That all of said wells, located upon the F. M. Robinson "B" Lease, are producing from the Grayburg-Jackson Pay of the Upper San Andres Formation, encountered at an approximate depth of 2800 feet, with the exception of F. M. Robinson "B" Wells Nos. 21 and 27, located in the NE/4 and E/2 NW/4 Section 27, Township 17 South, Range 29 East, N.M.P.M., which said two wells are producing from the Sub-Grayburg Section encountered at an approximate depth of 3275 feet.

5. That of the total number of producing wells located upon the F. M. Robinson "B" Lease, three of such wells, namely; Wells Nos. 23, 24 and 25, are unorthodox "five spot" locations drilled by Applicant pursuant to permission granted in Order No. 819 of this Commission.

6. That the drilling of such unorthodox "five spot" locations has definitely established the fact that this drilling program is economically sound and that by

the drilling of such "five spot" locations a greater ultimate recovery of oil will be obtained in that substantial quantities of oil will be recovered that would not otherwise be obtained if these "five spot" locations were not drilled.

7. That American Republics Corporation proposes to make four locations for unorthodox "five spot" line wells, to be located not nearer than twenty five feet to the outermost lease boundary line; that American Republics Corporation proposes to drill and complete each of said four unorthodox "five spot" line locations in the Grayburg-Jackson Pay of the Upper San Andres Formation, to be encountered at approximately 2800 feet.

That the well numbers and locations of these four "five spot" unorthodox line wells, which applicant desires permission to drill, are as follows:

ROBINSON "B" WELL NO. 28, to be located:

1345 feet from the South Line and 2615 feet from the West Line of Section 27, Township 17 South, Range 29 East;

ROBINSON "B" WELL NO. 29, to be located:

2615 feet from the North Line and 1295 feet from the East Line of Section 27, Township 17 South, Range 29 East;

ROBINSON "B" WELL NO. 30, to be located:

1295 feet from the North Line and 1345 feet from the West Line of Section 35, Township 17 South, Range 29 East;

ROBINSON "B" WELL NO. 31, to be located:

2615 feet from the North Line and 2615 feet from the West Line of Section 27, Township 17 South, Range 29 East.

That the lease offsetting each of the above

described locations is owned by American Republics Corporation and is designated as its F. M. Robinson "A" Lease, Las Cruces Serial No. 028775(a) and covers the following described land; in Eddy County, State of New Mexico, to-wit:

SE/4 Section 27, NE/4 Section 34, W/2 NW/4 Section 35, Township 17 South, Range 29 East, N.M.P.M., and containing 400 acres, more or less.

8. That the proposed unorthodox "five spot" line locations, being on Federal lands, have been approved by the Roswell Office of the United States Geological Survey.

9. That the F. M. Robinson "B" Lease, described above, is not subject to any overriding royalties or obligations payable out of production. That the F. M. Robinson "A" Lease, hereinabove described, in addition to the royalty payable to the United States Government, is subject to an overriding royalty equal to 7-1/2% of all of the oil and gas produced, saved and marketed from the wells located upon the F. M. Robinson "A" Lease.

10. That American Republics Corporation is now in the process of entering into an agreement with the owners of overriding royalty interests under the F. M. Robinson "A" Lease, wherein American Republics Corporation agrees to set separate tanks to be used for F. M. Robinson "B" Wells Nos. 28 and 29, and separate tanks to be used for F. M. Robinson "B" Well No. 30, and separate tanks to be used for F. M. Robinson "B" Well No. 31, as the same are completed, and to account for the oil produced from these wells separate and apart from all other wells located

upon the F. M. Robinson "B" Lease, and wherein American Republics Corporation further agrees with said overriding royalty interest owners that out of the oil produced from F. M. Robinson "B" Wells Nos. 28, 29 and 30, there shall be paid to the overriding royalty interest owners under the F. M. Robinson "A" Lease, in proportion to the interests they own, respectively, $7\frac{1}{2}\%$ of one-half of all of the oil and gas produced, saved and marketed from said F. M. Robinson "B" Wells Nos. 28, 29 and 30, and American Republics Corporation further agrees in said agreement that out of the oil produced from F. M. Robinson "B" Well No. 31, to pay to the F. M. Robinson "A" Lease overriding royalty interest owners, in proportion to the interest which they own, respectively, $7\frac{1}{2}\%$ of one-fourth of all of the oil and gas produced, saved and marketed from the F. M. Robinson "B" Well No. 31. In consideration of these payments to the overriding royalty interest owners under the F. M. Robinson "A" Lease, they agree that they shall never demand or require that American Republics Corporation drill any wells on the F. M. Robinson "A" Lease offsetting either directly, diagonally, or otherwise, the F. M. Robinson "B" Wells Nos. 28, 29, 30 and 31, at the locations hereinabove set out.

11. That heretofore, on the 25th day of April, 1949, this Commission entered Order No. 819 in Case No. 180, wherein certain specific tracts comprising portions of the F. M. Robinson "B" Lease, were unitized for proration purposes and wherein American Republics Corporation was authorized to produce from each such unitized tract described in said Order No. 819, the total allowable produc-

tion as fixed by this Commission for the total number of developed forty acre units comprising such unitized tract, and also was authorized to produce the total allowable, so fixed by the Commission, for each such unitized tract, from all of the wells located on or that may hereafter be drilled upon such unitized tract, producing from the Grayburg-Jackson Pay, and said Order No. 819 provided that no well located upon such unitized tract should be permitted to produce at a rate in excess of the top allowable, as fixed by the Commission.

12. That Applicant does not ask for any additional allowable by reason of the drilling and completing any of the unorthodox "five spot" line locations, described in its Application, but that it is Applicant's desire to produce all such tracts unitized for proration purposes in accordance with Order No. 819 entered by the Commission in Case No. 180.

IT IS, THEREFORE, ORDERED BY THE COMMISSION that the Application of American Republics Corporation for an Order granting permits to drill the four unorthodox "five spot" line locations, at the locations designated in said Application, and hereinabove set forth, be and the same is hereby granted and approved.

IT IS FURTHER ORDERED that as American Republics Corporation completes the above described unorthodox "five spot" line location wells, as producing wells, that such wells be produced in accordance with the terms and provisions of Order No. 819 entered in Case No. 180 by the Commission, wherein certain specific tracts, more fully

described in said Order, were unitized for proration purposes, and wherein American Republics Corporation was authorized to produce from each such unitized tract, described in Order No. 819, the total allowable production as fixed by the Commission for the total number of developed forty acre proration units, comprising such unitized tracts, and that American Republics Corporation be, and it is hereby authorized to produce the total allowable, so fixed by the Commission, for each such unitized tract, from all wells located on or that may hereafter be drilled upon such unitized tract, producing from the Grayburg-Jackson Pay.

IT IS FURTHER ORDERED that no well located upon any such unitized tract be permitted to produce at a rate in excess of the top allowable, as fixed by the Commission.

IT IS FURTHER ORDERED that American Republics Corporation shall file with the Commission copies of Federal location notices for the hereinabove described locations, after approval thereof by the Oil and Gas Supervisor.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

B. M. Muir
CHAIRMAN

MEMBER

R. R. Garrison
SECRETARY

AMERICAN REPUBLICS CORPORATION

CARPER BUILDING
ARTESIA, NEW MEXICO
P. O. Box 547

October 16, 1950

CASE 234
Order No. R-29



Mr. R. R. Spurrier
P. O. Box 871
Santa Fe, New Mexico

Dear Sir:

In accordance with the above captioned
Order No. R-29 I am enclosing photostatic copies
of Royalty Agreements entered into between
American Republics Corporation and the overriding
royalty holders on the Robinson "A" Lease, L. C.
028775-A, located in Eddy County, New Mexico

Yours very truly,

W B Macey
W. B. MACEY

WBM/lh

Enclosures (3)

owner and holder of a lease on the lands owned by the
of the United States, bearing the title of "Lease No.
028775(b)", assigned as the F. M. Robinson 30 lease,
covering the following described lands, to-wit: Section 27, T. 1 N., R. 2 E., S. 10 E., Range 29 East, N. M. P. M., and Township 10 North, County, State of New Mexico.

NE 1/4, E 1/2 NW 1/4 and E 1/2 SW 1/4 Section 27, T. 1 N., R. 2 E., S. 10 E., Range 29 East, N. M. P. M., and Township 10 North, County, State of New Mexico.

WHEREAS, the royalty payable to the United States Government under the F. M. Robinson 30 lease varies from 12-1/2% to 25% of all of the oil production and when the average production of oil for the calendar month, in barrels, per well, per day is not over 40 barrels, the royalty shall be 12-1/2%; and the royalty payable to the United States Government under the F. M. Robinson 30 lease ranges from 12-1/2% to 25% of all of the oil production and when the average production for the calendar month, in barrels, per well, per day is not over 40 barrels, the royalty shall be 12-1/2%. In the event the production per well, per day, during any calendar month should exceed 40 barrels on the F. M. Robinson 30 lease, the United States Government would be entitled to a royalty of 25% of the oil production thereon and the royalty shall be 12-1/2% of the oil production thereon if the production per well, per day, during any calendar month should not exceed 40 barrels.

ROBINSON FOR WENT NO 28 TO BE LOCATED
AT 2151 ON THE SOUTH SIDE OF 2615
IN THE WEST SIDE OF SECTION 2
ROBINSON FOR WENT NO 28 TO BE LOCATED
AT 2151 ON THE SOUTH SIDE OF 2615
IN THE WEST SIDE OF SECTION 2

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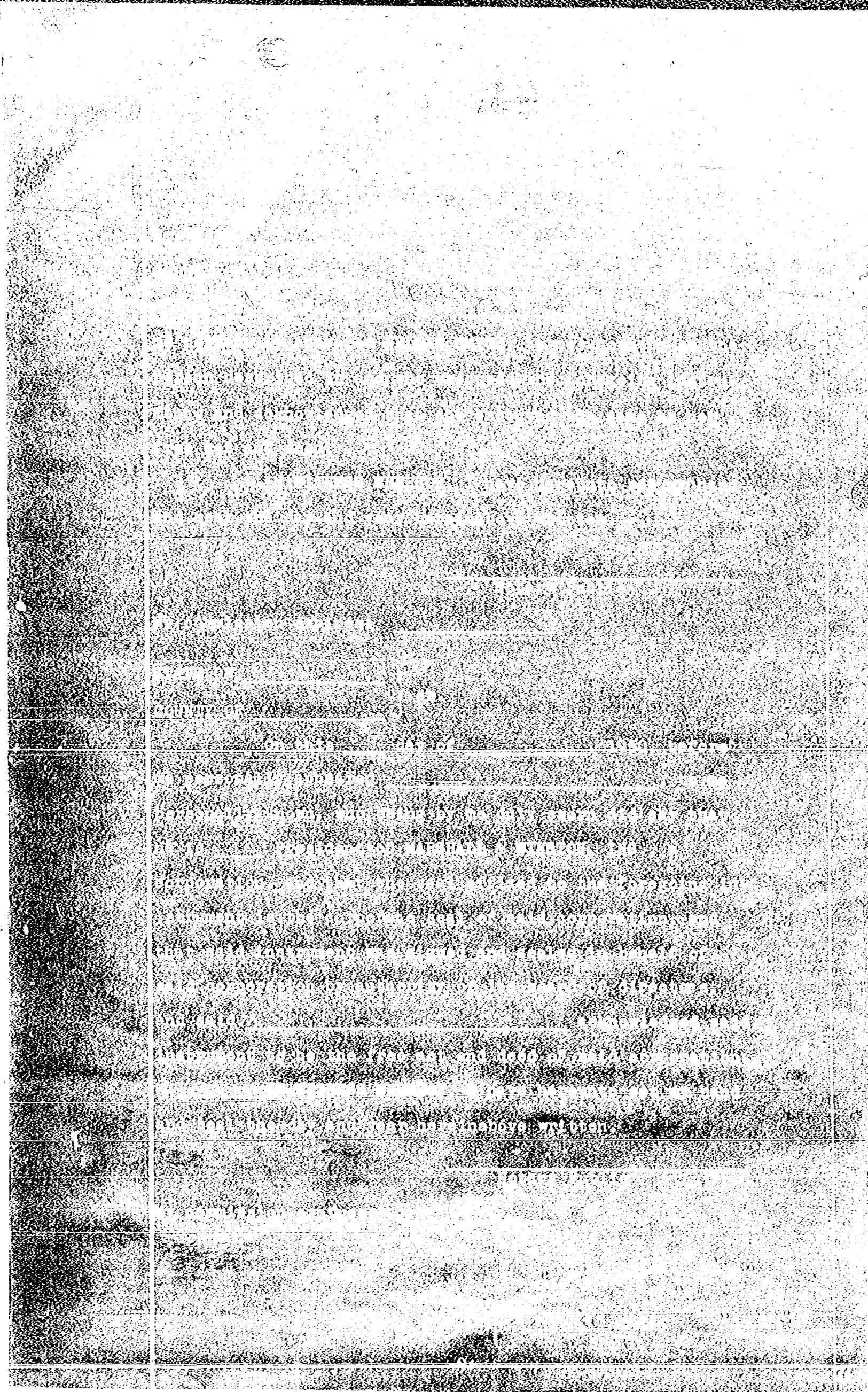
THE OFFICE OF THE ATTORNEY GENERAL
OF THE STATE OF NEW YORK
IN SENATE
JANUARY 10, 1910
REPORT
OF THE
COMMISSIONER OF THE LAND OFFICE
IN RESPONSE TO A RESOLUTION
PASSED BY THE SENATE
JANUARY 10, 1909
ALBANY: J.B. LIPPINCOTT COMPANY
1910

It is mutually understood and agreed that the drilling of the well is not to be commenced until the necessary permits have been obtained from the appropriate authorities.

THE UNIVERSITY OF CHICAGO

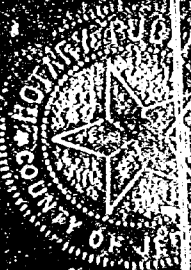
COUNTRY OF HAITI

On this 21st day of August 1941, I, the undersigned, being personally appeared WILLIAM W. TAYLOR, known to me personally known, who being by me duly sworn, depose that he is Vice President of American Mutual Insurance Company, a corporation, and that the signature to the foregoing instrument is the personal signature of said Vice President, and that said instrument was lawfully made in pursuance of said approval by authority of the board of directors, and said WILLIAM W. TAYLOR acknowledged said instrument to be the true and correct signature of said Vice President.



...and the other is the fact that the system is not a closed system, but an open system, which means that it is constantly interacting with its environment. This is a very important point, because it means that the system is not static, but dynamic, and it is constantly changing. This is a very important point, because it means that the system is not static, but dynamic, and it is constantly changing.

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deceased, 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.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year hereinafore written.

My commission expires June 1st 1900
 STATE OF Texas
 COUNTY OF Jefferson

On this 11th day of August, 1899, before me personally appeared Charles B. Hayes, who being known to me, and who executed the foregoing instrument, and acknowledged that he executed the same as his free act and deed.

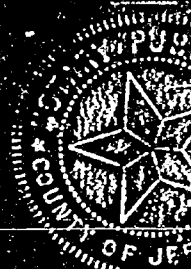
IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year hereinafore written.

My commission expires June 1st 1900
 STATE OF _____
 COUNTY OF _____

On this _____ day of _____, 1900, before me personally appeared MRS. C. B. Hayes, who being known to me, and who executed the foregoing instrument, and acknowledged that she executed the same as her free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year hereinafore written.

My commission expires _____



STATE OF ARIZONA

COUNTY OF MARICOPA

1934

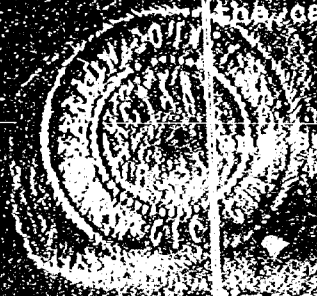
me personally known to [illegible] and as Trustee, to me known to be the [illegible] and who executed the foregoing instrument, and acknowledged that she executed the same as her free act and deed in the capacities therein stated.

IN WITNESS WHEREOF, I have hereunto set my hand

and the day and year hereinafore written.

John B. [illegible]
Notary Public

My commission expires Feb 14 1934



[Illegible handwritten notes and signatures]

THE UNITED STATES OF AMERICA
DO hereby certify that the following is a true and correct copy of the original as the same appears on the records of the Department of the Interior, Bureau of Land Management, at Washington, D.C.

TO ALL WHOM THESE PRESENTS SHALL COME, I, the President of the United States, in Executive Order, do hereby declare that the following is a true and correct copy of the original as the same appears on the records of the Department of the Interior, Bureau of Land Management, at Washington, D.C.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of the President of the United States, at the City of Washington, this 1st day of January, 1901.

JOHN DILLON, Secretary of the Interior.
By the President of the United States.

UNITED STATES OF AMERICA
DO hereby certify that the following is a true and correct copy of the original as the same appears on the records of the Department of the Interior, Bureau of Land Management, at Washington, D.C.

TO ALL WHOM THESE PRESENTS SHALL COME, I, the President of the United States, in Executive Order, do hereby declare that the following is a true and correct copy of the original as the same appears on the records of the Department of the Interior, Bureau of Land Management, at Washington, D.C.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of the President of the United States, at the City of Washington, this 1st day of January, 1901.

JOHN DILLON, Secretary of the Interior.
By the President of the United States.



It is the policy of the Department of the Interior to provide for the maximum utilization of the lands and resources of the National Forest System. The Department is currently reviewing the National Forest Management Act of 1976, which provides for the establishment of a National Forest Management Plan. The Department is also reviewing the National Forest Management Act of 1976, which provides for the establishment of a National Forest Management Plan. The Department is also reviewing the National Forest Management Act of 1976, which provides for the establishment of a National Forest Management Plan.

WHICHMAN, it is the desire of many of the rice
farm to maintain its large stock of livestock on
the two large American farms and many of the other
farms to make livestock, and to make four large
livestock, as the livestock production estimated, with

THESE are the terms of the lease proposed to be granted on the 1st day of June 1900, within a distance of 15 feet from the V. H. H. Co. "A" lease, having been duly read and explained to the lessee and he has accepted the same. It is the policy of the Government to lease land to the public for the purpose of mining and the Government is not to be bound by the terms of the lease if it is found that the lessee is not entitled to the same.

THE

1. Party of the first part agrees to drill the following wells on its F. M. Robinson "B" Lease, certain lands hereinabove described, to be designated by well number, and located on said F. M. Robinson "B" Lease, as follows:

2. H. ROBINSON "B" WELL NO. 28, to be located:
1345 feet from the South Line and 2615
feet from the West Line of Section 27,
Township 17 South, Range 29 East, N.M.P.
N.

D. M. ROBINSON "D" WELL NO. 29, to be located:
2015 feet from the North Line and 1295
feet from the East Line of Section 27,
 Township 17 South, Range 29 East, N.M.P.

W. M. ROBINSON "B" WELL NO. 30, to be located
100 feet from the North Line and 124.5
feet from the West Line of Section 35,
Township 17 South, Range 20 East, N.M.P.

REMARKS: "B" WELL NO. 31, to be located
2015 feet from the North line and 2015
feet from the West line of Section 27,
T20N, R10E, S10E, Range 10 East, R10E, T20N

3. Party of the first part agrees that out of the oil produced from the P. M. Robinson "B" Wells Nos. 28, 29 and 30, parties of the second part shall be paid and receive, in proportion to the interest they own, respectively, $7\frac{1}{2}\%$ of one-half of all of the oil and gas produced, saved and marketed from P. M. Robinson "B" Wells Nos. 28, 29 and 30, and further agrees it will have the company purchasing oil and gas from these wells prepare a separate division order covering Wells Nos. 28 and 29, a separate division order covering Well No. 30 and a separate division order covering Well No. 31.

4. Party of the first part agrees that out of the oil produced from the P. M. Robinson "B" Wells Nos. 28, 29 and 30, parties of the second part shall be paid and receive, in proportion to the interest they own, respectively, $7\frac{1}{2}\%$ of one-half of all of the oil and gas produced, saved and marketed from P. M. Robinson "B" Wells Nos. 28, 29 and 30.

5. Party of the first part agrees that out of the oil produced from P. M. Robinson "B" Well No. 31 parties of the second part shall be paid and receive, in proportion to the interest which they own, respectively, $7\frac{1}{2}\%$ of one-half of all of the oil and gas produced, saved and marketed from P. M. Robinson "B" Well No. 31.

...the undersigned hereby agree to the terms and conditions of the Agreement, as the same may be amended or modified from time to time, and to the fact that the undersigned have signed and delivered the same original instrument as a counterpart hereof.

IN WITNESS WHEREOF, the parties hereto have signed this Agreement and a counterpart of this Agreement on the day and year first above written.

ATTEST:
[Signature]

AMERICAN REPUBLICAN CORPORATION
By *[Signature]*
VICE PRESIDENT

RECEIVED
[Signature]
Temo mib
JUN 1950

ATTEST:
[Signature]

WALTER L. LEE
KIMBALL & SEXTON, INC.

ATTEST:
[Signature]

FOR LAMPS
W. J. LAMSON

ATTEST:
[Signature]

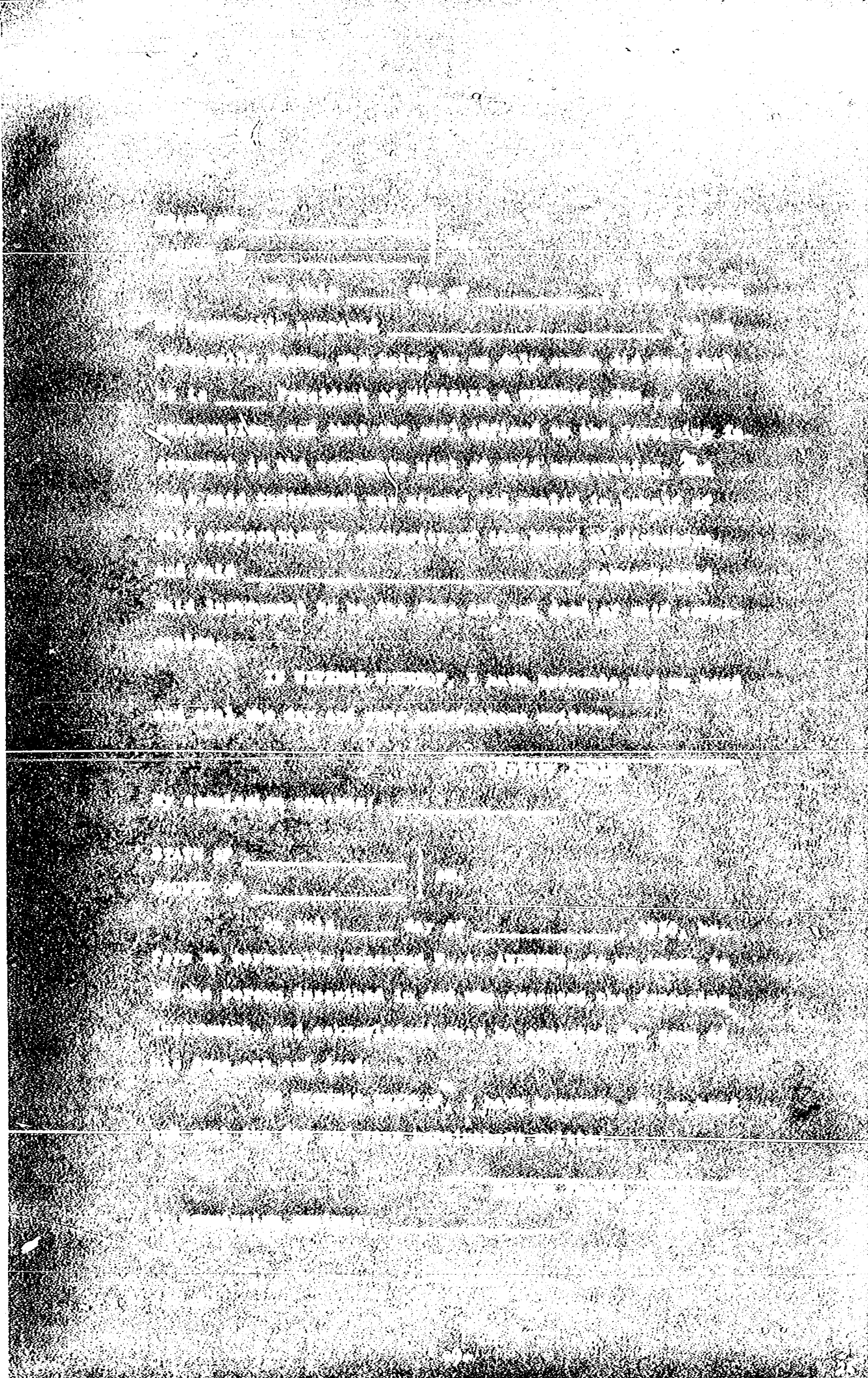
W. J. LAMSON
[Signature]

ATTEST:
[Signature]

W. J. LAMSON
[Signature]

100-443887-100

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John T. ...
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August 1910

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1. The first part of the document is a letter from the President of the United States to the Congress, dated January 1, 1861. It is a formal address, and the President expresses his confidence in the Congress and his desire for their cooperation in the management of the government.

2. The second part of the document is a report from the Secretary of the Treasury, dated January 1, 1861. It contains a detailed account of the financial condition of the government, including the receipts and expenditures for the year ending December 31, 1860.

3. The third part of the document is a report from the Secretary of the Interior, dated January 1, 1861. It contains a detailed account of the land and mineral resources of the United States, and the progress of the various departments under his control.

4. The fourth part of the document is a report from the Secretary of the Navy, dated January 1, 1861. It contains a detailed account of the naval operations of the United States, and the condition of the fleet.

5. The fifth part of the document is a report from the Secretary of the War, dated January 1, 1861. It contains a detailed account of the military operations of the United States, and the condition of the army.

6. The sixth part of the document is a report from the Secretary of the State, dated January 1, 1861. It contains a detailed account of the foreign relations of the United States, and the progress of the various departments under his control.

7. The seventh part of the document is a report from the Secretary of the Agriculture, dated January 1, 1861. It contains a detailed account of the agricultural operations of the United States, and the condition of the various departments under his control.

8. The eighth part of the document is a report from the Secretary of the Education, dated January 1, 1861. It contains a detailed account of the educational operations of the United States, and the condition of the various departments under his control.

9. The ninth part of the document is a report from the Secretary of the Public Works, dated January 1, 1861. It contains a detailed account of the public works operations of the United States, and the condition of the various departments under his control.

10. The tenth part of the document is a report from the Secretary of the Finance, dated January 1, 1861. It contains a detailed account of the financial operations of the United States, and the condition of the various departments under his control.

DOMESTIC SERVICE	
Check the class of service desired; otherwise this message will be sent as a full rate telegram	
FULL RATE TELEGRAM	SERIAL
DAY LETTER	NIGHT LETTER

WESTERN UNION

1206

INTERNATIONAL SERVICE	
Check the class of service desired; otherwise this message will be sent at the full rate	
FULL RATE	DEFERRED
CODE	NIGHT LETTER

W. F. MARSHALL, PRESIDENT

NO. WDS.-CL. OF SVC.	PD. OR COLL.	CASH NO.	CHARGE TO THE ACCOUNT OF	TIME FILED
			OIL CONSERVATION COMMISSION	

Send the following message, subject to the terms on back hereof, which are hereby agreed to

SANTA FE, NEW MEXICO

SEPTEMBER 5, 1950

AMERICAN REPUBLICS CORPORATION
BOX 547
ARTESIA, NEW MEXICO

ORDER NO. R-29, CASE NO. 234, SIGNED AND APPROVED THIS DATE.

OIL CONSERVATION COMMISSION/SPURRIER

STRAIGHT WIRE

September 13, 1950

American Republics Corporation
Box 547
Artesia, New Mexico

Attention: W. B. Macey

Gentlemen:

We enclose herewith, signed copy of Order No. R-29, issued in connection with Case No. 234, heard in Santa Fe, New Mexico on August 24, 1950.

Very truly yours,

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

R. R. Spurrier
Secretary-Director

RRS:bw
encl.

NOTICE OF PUBLICATION
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

The State of New Mexico by its Oil Conservation Commission hereby gives notice pursuant to law and the rules and regulations of said Commission promulgated thereunder, of the following public hearing to be held August 24, 1950, beginning at 10:00 o'clock A.M. on that day in the City of Santa Fe, New Mexico, in the Capitol (Hall of Representatives).

STATE OF NEW MEXICO TO:

All named parties in the following cases and notice to the public:

Case 202 (Readvertisement)

In the matter of further hearing upon the application of Rowan Oil Company for an order reducing the allowable of the Brunson Pool, Lea County, New Mexico for the purpose of determining if Order R-4, promulgated January 11, 1950, shall be modified, rescinded or further continued in effect.

Case 233

In the matter of the application of the New Mexico Oil Conservation Commission upon its own motion upon the recommendation of the Northwestern New Mexico Nomenclature Committee:

1. To create a new pool to be known as the West Kutz Canyon (Pictured Cliffs) gas pool, the area of which contains all of Sections 7 and 15 in Twp. 27N - R. 11W and all of Sections 12 and 13 in Twp. 27N - R. 12W, in San Juan County, New Mexico.
2. That the boundaries of LaPlata (Mesaverde) gas pool heretofore created and described should be changed so as to include the following:

³¹
Township 21 North, Range 12 West

S $\frac{1}{2}$ Section 2
All Section 3
All Section 4
N $\frac{1}{2}$ Section 5
E $\frac{1}{2}$ Section 9
W $\frac{1}{2}$ Section 12
W $\frac{1}{2}$ Section 13
E $\frac{1}{2}$ Section 16

Township 32 North, Range 12 West

E $\frac{1}{2}$ Section 20
All Section 21
W $\frac{1}{2}$ Section 22
W $\frac{1}{2}$ Section 27

Arch Rowan

Township 32 North, Range 12 West (Continued)

All Section 28
All Section 29
All Section 30
N $\frac{1}{2}$ Section 31
All Section 32
All Section 33
W $\frac{1}{2}$ Section 34

3. That the boundaries of the Fulcher Basin-Kutz Canyon (Pictured Cliffs) gas pool heretofore created be and the same hereby is enlarged and its boundaries changed only to include all of Section 6 in Twp. 27N-R.10W, N.M.P.M., in San Juan County, New Mexico.

Case 234

In the matter of the application of American Republics Corporation for an order granting it permission to drill 4 unorthodox 5-spot locations on its F. M. Robinson "B" lease in Sections 27 and 35, Township 17 south, Range 29 east, N.M. P.M., in the Grayburg-Jackson pool of Eddy County, New Mexico.

Given under the seal of the Oil Conservation Commission of New Mexico, at Santa Fe, New Mexico, on August 7, 1950.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

R. R. SPURRIER, SECRETARY

SEAL

AGREEMENT

THIS AGREEMENT, Made and entered into this _____ day of _____, 1950, by and between AMERICAN REPUBLICS CORPORATION, a Corporation having its principal office at Houston, Texas, hereinafter referred to as party of the first part, and NEILS SMITH, Artesia, New Mexico, MARSHALL & WINSTON, INC., Los Angeles, California, F. A. ANDREWS, Los Angeles, California; OLADYS MURIEL MARSHALL, Pandra, Texas, W. R. O. HEYK, Beaumont, Texas, GLENN B. HAINES, JR., Beaumont, Texas, heirs of Mrs. R. O. Hays, Deceased, MRS. C. A. RUSSELL, Houston, Texas, HARRY LEONARD, Roswell, New Mexico, and MARY LORENA HIGGINS, INDIVIDUALLY and AS TRUSTEE, Auburn, Georgia, hereinafter referred to as parties of the second part,

W I T N E S S E T H:

WHEREAS, party of the first part is the owner and holder of a Federal Oil and Gas Lease upon lands of the United States, bearing Las Cruces Serial No. 028775(a) designated as the F. M. Robinson "A" Lease, covering the following described land, situated in Eddy County, State of New Mexico, to-wit:

SE/4 Section 27, NE/4 Section 34 and W/2 NW/4 Section 35, Township 17 South, Range 29 East, N.M.P.M., and containing 400 acres, more or less,

subject to an overriding royalty equal to 7-1/2% of all of the oil and gas produced, saved and marketed from the above described land, which overriding royalty interest is owned by parties of the second part, in the following proportions:

APPLICANTS Ex. 2
-1-

HELLIS SMITH	1-7/8%
MARSHALL & WINSTON, INC.	1/2 of 1%
F. A. ANDREWS	1/2 of 1%
GLADYS MURIEL MARSHALL	1/6 of 1%
W. R. G. HEYR	1/6 of 1%
GLENN B. HAINES, JR.	1/6 of 1%
MRS. C. A. RUSSELL	1%
HARRY LEONARD	1-13/16%
MARY LORENA HIGGINS, INDIVID- UALLY and as TRUSTEE	1-5/16%

WHEREAS, party of the first part is also the owner and holder of Federal Oil and Gas Lease upon lands of the United States, bearing Las Cruces Serial No. 028775(b), designated as the F. M. Robinson "B" Lease, covering the following described land, situated in Eddy County, State of New Mexico, to-wit:

NE 1/4, E 1/2 NW 1/4 and E 1/2 SW 1/4 Section 27, E 1/2 W 1/2 and E 1/2 Section 35, Township 17 South, Range 29 East, N.M.P.M., and containing 800 acres, more or less; and

WHEREAS, the royalty payable to the United States Government under the F. M. Robinson "A" Lease ranges from 12-1/2% to 25% of all of the oil production and when the average production of oil for the calendar month, in barrels, per well, per day is not over 110 barrels, the royalty shall be 12-1/2%; and the royalty payable to the United States Government under the F. M. Robinson "B" Lease ranges from 12-1/2% to 32% of all of the oil production, and when the average production for the calendar month, in barrels, per well, per day is not over 50 barrels, the royalty shall be 12-1/2%. In the event the production per well, per day, during any calendar month should exceed 50 barrels on the F. M. Robinson "B" Lease, the United States Government would be paid a royalty on the production from the wells on the F. M. Robinson "B" Lease at the higher step-scale rate provided in said F. M. Robinson "B" Lease;

and

WHEREAS, both of said leases, hereinabove described, have a number of producing wells thereon, which wells are producing from the Grayburg-Jackson Pay of the Upper San Andres Formation, encountered in wells on both of said leases at an approximate depth of 2300 feet beneath the surface; and

WHEREAS, among other wells drilled on the two above described leases, party of the first part has drilled a number of unorthodox "five spot" locations on each of said leases and from the information and results obtained from the drilling of such "five spot" unorthodox locations, the fact is definitely established that such a drilling program is economically sound and that by the drilling of these "five spot" locations a much greater ultimate recovery of oil will be obtained in that substantial quantities of oil may and will be recovered that would not otherwise be obtained if such "five spot" unorthodox locations had not been drilled; and

WHEREAS, it is the desire of party of the first part to continue its "five spot" development program on the two above described leases and party of the first part desires to make locations for and drill four line well locations, at the locations hereinafter designated, on the P. M. Robinson "B" Lease, each of such locations to not be nearer than 25 feet to the outermost lease boundary line; and

WHEREAS, since the four "five spot" line locations proposed will be located on the P. M. Robinson "B" Lease within a distance of 25 feet from the P. M. Robinson "A" Lease, hereinabove described, under which parties of

the second part own the overriding royalty interest hereinabove mentioned, it is the desire of party of the first part to enter into this Agreement, upon the terms and conditions hereinafter set forth, to the end that party of the first part may drill the four "five spot" unorthodox line well locations on the F. M. Robinson "B" Lease, hereinafter set forth, and produce such wells in the manner hereinafter provided; and

WHEREAS, it is deemed by parties of the second part that it is to their best interest that party of the first part drill the four "five spot" unorthodox line wells at the locations hereinafter described, and produce the same and account for the proceeds of sale of oil and gas therefrom in the manner hereinafter provided.

NOW, THEREFORE, for and in consideration of the agreement, promises and covenants to be kept and performed by the respective parties hereto, it is mutually agreed between the parties hereto, as follows:

1. Party of the first part agrees to drill the following wells on its F. M. Robinson "B" Lease, covering lands hereinabove described, to be designated by well numbers, and located on said F. M. Robinson "B" Lease, as follows:

F. M. ROBINSON "B" WELL NO. 28, to be located:
1345 feet from the South Line and 2615
feet from the West Line of Section 27,
Township 17 South, Range 29 East, N.M.P.M.;

F. M. ROBINSON "B" WELL NO. 29, to be located:
2615 feet from the North Line and 1295
feet from the East Line of Section 27,
Township 17 South, Range 29 East, N.M.P.M.;

F. M. ROBINSON "B" WELL NO. 30, to be located:
1295 feet from the North Line and 1345
feet from the West Line of Section 35,
Township 17 South, Range 29 East, N.M.P.M.;

F. M. ROBINSON "B" WELL NO. 31, to be located:
2615 feet from the North Line and 2615
feet from the West Line of Section 27,
Township 17 South, Range 29 East, N.M.P.M.

2. Party of the first part agrees to drill said wells, one or more at a time, with due diligence and in a workmanlike manner, to a depth sufficient to test and complete said wells in the Grayburg-Jackson Pay of the Upper San Andres Formation encountered at an approximate depth of 2600 feet in the area. Each of said wells shall be drilled and completed at the sole risk, cost and expense of party of the first part.

3. Party of the first part agrees to set separate tanks to be used for Wells Nos. 28 and 29, and separate tanks to be used for Well No. 30, and separate tanks to be used for Well No. 31, as the same are completed, and to account for the oil produced from these wells separate and apart from all other wells located upon the F. M. Robinson "B" Lease, and further agrees it will have the company purchasing oil produced from these wells prepare a separate division order covering Wells Nos. 28 and 29, a separate division order covering Well No. 30 and a separate division order covering Well No. 31.

4. Party of the first part agrees that out of the oil produced from the F. M. Robinson "B" Wells Nos. 28, 29 and 30, parties of the second part shall be paid and receive, in proportion to the interest they own, respectively, 7-1/2% of one-half of all of the oil and gas produced, saved and marketed from F. M. Robinson "B" Wells

Nos. 28, 29 and 30.

5. Party of the first part agrees that out of the oil produced from F. M. Robinson "B" Well No. 31 parties of the second part shall be paid and receive, in proportion to the interest which they own, respectively, $7\frac{1}{2}\%$ of one-fourth of all of the oil and gas produced, saved and marketed from F. M. Robinson "B" Well No. 31.

6. Parties of the second part agree to accept as payment for their interest in oil produced from the F. M. Robinson "B" Wells Nos. 28, 29, 30 and 31, the fractional proportion of such oil and gas produced, saved and marketed from said wells, as hereinabove set forth.

7. Parties of the second part do hereby further agree that they shall never demand or require that party of the first part shall drill any wells on the F. M. Robinson "A" Lease offsetting either directly, diagonally or otherwise, F. M. Robinson "B" Wells Nos. 28, 29, 30 and 31, at the locations hereinabove set out.

8. The term of this Agreement shall be co-extensive with the term of the F. M. Robinson "A" Lease and the F. M. Robinson "B" Lease, and any extensions or renewals of said leases, and shall be binding upon and inure to the benefit of the heirs, administrators, executors, successors and assigns of the parties hereto.

9. Notwithstanding anything herein to the contrary, it is mutually understood and agreed that the drilling of the four F. M. Robinson "B" "five spot" unorthodox line wells at the locations hereinabove designated, is subject to the approval of both the United States Geological Survey and the Oil Conservation Commission of the State of

New Mexico, and in the event either the United States Geological Survey or the Oil Conservation Commission of the State of New Mexico should not approve the drilling of said four "five spot" unorthodox line wells, as herein provided, then and in that event, this Agreement shall become null and void. Upon the approval of the drilling of said four wells, as herein provided, by both the United States Geological Survey and the Oil Conservation Commission of the State of New Mexico, then this Agreement shall remain in full force and effect for the term herein provided.

10. The parties hereto may all execute the same original or copy of this Agreement, or the various parties hereto may execute a counterpart hereof, which shall be effective in the same manner as though all the parties hereto had executed the same original instrument, it being understood and agreed that this Agreement shall become effective and binding only at such time as all of the parties hereto have either executed the same original instrument or a counterpart hereof.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, or a counterpart of this Agreement, on the day and year first above written.

ATTEST:

AMERICAN REPUBLICS CORPORATION

By _____

Secretary

President

PARTY OF THE FIRST PART

Nellie Smith

ATTEST:

MARSHALL & WINSTON, INC.

By _____

Secretary

President

P. A. Andrews

Gladys Muriel Marshall

Glenn B. Haines, Jr.

W. R. G. Eoye

Mrs. C. A. Russell

Harry Leonard

Mary Lorena Higgins,
Individually and as
Trustee

PARTIES OF THE SECOND PART

STATE OF _____)
COUNTY OF _____) ss.

On this _____ day of _____, 1950, before me personally appeared _____ to me personally known, who being by me duly sworn did say that he is _____ President of AMERICAN REPUBLICS CORPORATION, a corporation, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its board of directors, and said _____ acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year hereinabove written.

Notary Public

My commission expires: _____

STATE OF _____)
COUNTY OF _____) ss.

On this _____ day of _____, 1950, before me personally appeared HELLIE SMITH, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that she executed the same as her free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year hereinabove written.

Notary Public

My commission expires: _____

STATE OF _____)
COUNTY OF _____) ss.

On this _____ day of _____, 1950, before me personally appeared _____, to me personally known, who being by me duly sworn did say that he is _____ President of MARSHALL & WINSTON, INC., a corporation, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its board of directors, and said _____ acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year hereinabove written.

Notary Public

My commission expires: _____

STATE OF _____)
COUNTY OF _____) ss.

On this _____ day of _____, 1950, before me personally appeared F. A. ANDREWS, 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.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year hereinabove written.

Notary Public

My commission expires: _____

STATE OF _____)
COUNTY OF _____) ss.

On this _____ day of _____, 1950, before me personally appeared GLADYS MURIEL MARSHALL, heir of Mrs. R. O. Heye, Deceased, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that she executed the same as her free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year hereinabove written.

Notary Public

My commission expires: _____

STATE OF _____)
COUNTY OF _____) ss.

On this _____ day of _____, 1950, before me personally appeared W. R. G. HEYE, heir of Mrs. R. G. Heye, Deceased, 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.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year hereinabove written.

Notary Public

My commission expires: _____

STATE OF _____)
COUNTY OF _____) ss.

On this _____ day of _____, 1950, before me personally appeared OLIVER B. HAINES, JR., heir of Mrs. R. G. Heye, Deceased, 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.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year hereinabove written.

Notary Public

My commission expires: _____

STATE OF _____)
COUNTY OF _____) ss.

On this _____ day of _____, 1950, before me personally appeared MRS. C. A. RUSSELL, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that she executed the same as her free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year hereinabove written.

Notary Public

My commission expires: _____

STATE OF _____)
COUNTY OF _____) ss.

On this _____ day of _____, 1950, before me personally appeared HARRY LEONARD, 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.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year hereinabove written.

Notary Public

My commission expires: _____

STATE OF _____)
COUNTY OF _____) ss.

On this _____ day of _____, 1950, before me personally appeared MARY LORENA HIGGINS, INDIVIDUALLY and as TRUSTEE, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that she executed the same as her free act and deed in the capacities therein stated.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year hereinabove written.

Notary Public

My commission expires: _____

*Patented
Aug 4, 1900*

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF APPLICATION OF
AMERICAN REPUBLICS CORPORATION
FOR AN ORDER GRANTING IT PERMIS-
SION TO DRILL FOUR UNORTHODOX
LINE "FIVE SPOT" LOCATIONS ON
ITS F. M. ROBINSON "B" LEASE IN
SECTIONS 27 AND 35, TOWNSHIP 17
SOUTH, RANGE 29 EAST, N.M.P.M.,
IN THE GRAYBURG-JACKSON POOL OF
EDDY COUNTY, NEW MEXICO.

NO. _____

APPLICATION

AMERICAN REPUBLICS CORPORATION, Applicant herein,
in connection herewith, respectfully shows to the Oil Con-
serva-tion Commission:

1. Applicant is the owner and holder of the fol-
lowing described oil and gas lease, situated in Eddy County,
State of New Mexico, to-wit:

F. M. ROBINSON "B" LEASE, Las Cruces Serial No.
028775(b), described as NE/4, E/2 NW/4 and E/2
SW/4 Section 27; E/2 W/2 and E/2 Section 35,
Township 17 South, Range 29 East, N.M.P.M., and
containing 800 acres, more or less.

2. That from inception of production to the pres-
ent time, there have been drilled a total of twenty-four
wells on the F. M. Robinson "B" Lease, described above;
that two of said wells, F. M. Robinson "B" Well No. 3 and
F. M. Robinson "B" Well No. 18, were dry holes and were
plugged and abandoned at the time they were drilled, and
at the present time there are twenty-two producing wells
on the F. M. Robinson "B" Lease described above.

3. That all of said wells, located upon the F. M.

Robinson "B" Lease are producing from the Grayburg-Jackson Pay of the Upper San Andres Formation, encountered at a depth of approximately 2800 feet, with the exception of F. M. Robinson "B" Wells Nos. 21 and 27, located in the NE/4 and E/2 NW/4 Section 27, Township 17 South, Range 29 East, N.M.P.M., which said two wells are producing from the Sub-Grayburg Section, encountered at an approximate depth of 3275 feet.

4. That of the total number of producing wells located upon the F. M. Robinson "B" Lease, three of such wells, namely; Wells Nos. 23, 24 and 25, are unorthodox "five spot" locations drilled by Applicant pursuant to permission granted in Order No. 819 of the New Mexico Oil Conservation Commission.

5. That the results that have, thus far, been obtained in the drilling of the unorthodox "five spot" locations, have been more than satisfactory in that, in nearly all cases, these wells have been completed as good wells and the drilling of these wells has definitely established the fact that this drilling program is economically sound and that by the drilling of such "five spot" locations, a much greater ultimate recovery of oil will be obtained in that substantial quantities of oil will be recovered that would not otherwise be obtained if these "five spot" locations were not drilled.

6. That it is the desire of American Republics Corporation, Applicant herein, to continue this unorthodox "five spot" location development program; that American Republics Corporation desires and proposes to make four

locations for unorthodox "five spot" line wells, to be located not nearer than twenty-five feet to the outermost lease boundary lines; that these proposed "five spot" line locations are shown on the map attached hereto, marked Exhibit "A", in circles that have been colored in red, and Applicant proposes to drill and complete each of said four unorthodox "five spot" line locations in the Grayburg-Jackson Pay of the Upper San Andres Formation.

7. That the well numbers and locations of these four "five spot" line wells which Applicant desires permission to drill, are as follows:

ROBINSON "B" WELL NO. 28, to be located:

1345 feet from the South Line and 2615 feet from the West Line of Section 27, Township 17 South, Range 29 East;

ROBINSON "B" WELL NO. 29, to be located:

2615 feet from the North Line and 1295 feet from the East Line of Section 27, Township 17 South, Range 29 East;

ROBINSON "B" WELL NO. 30, to be located:

1295 feet from the North Line and 1345 feet from the West Line of Section 35, Township 17 South, Range 29 East;

ROBINSON "B" WELL NO. 31, to be located:

2615 feet from the North Line and 2615 feet from the West Line of Section 27, Township 17 South, Range 29 East,

all of such locations being shown on map attached hereto, marked Exhibit "A".

8. That the lease offsetting each of the above described locations is owned by Applicant herein and is designated as its F. M. Robinson "A" Lease, Las Cruces Serial No. 028775(a), and covers the following described land in Eddy County, New Mexico, to-wit:

SE/4 Section 27, NE/4 Section 34, W/2 NW/4 Section 35, Township 17 South, Range 29 East, N.M. P.M., and containing 400 acres, more or less.

9. That the royalty payable to the United States Government under the F. M. Robinson "A" Lease ranges from 12-1/2% to 25% of all of the oil production; when the average production of oil for the calendar month in barrels, per well, per day, is not over 110 barrels the royalty shall be 12-1/2%, and the royalty payable to the United States Government under the F. M. Robinson "B" Lease ranges from 12-1/2% to 32% of the oil production and when the average production for the calendar month, in barrels, per well, per day, is not over 50 barrels, the royalty shall be 12-1/2%. In the event the production, per well, per day, during any calendar month should exceed 50 barrels on the F. M. Robinson "B" Lease, the United States Government would be paid a royalty on the production from the wells on the F. M. Robinson "B" Lease at the higher step-scale rate provided in the F. M. Robinson "B" Lease.

10. That the F. M. Robinson "B" Lease described above is not subject to any overriding royalty or obligation payable out of production; that the F. M. Robinson "A" Lease, hereinabove described, in addition to the royalty payable to the United States Government is subject to an overriding royalty equal to 7-1/2% of all of the oil and gas produced, saved and marketed from the wells located upon the F. M. Robinson "A" Lease.

11. That American Republics Corporation, Applicant herein, proposes to, and is now in the process of entering into an Agreement with the owners of overriding royalty

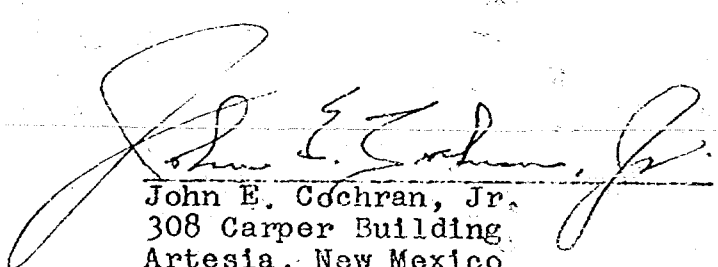
interests under the F. M. Robinson "A" Lease, wherein Applicant agrees to set separate tanks to be used for F. M. Robinson "B" Wells Nos. 28 and 29, and separate tanks to be used for F. M. Robinson "B" Well No. 30, and separate tanks to be used for F. M. Robinson "B" Well No. 31, as the same are completed, and to account for the oil produced from these wells separate and apart from all other wells located upon the F. M. Robinson "B" Lease, and Applicant herein further agrees, in said proposed agreement, that out of the oil produced from F. M. Robinson "B" Wells Nos. 28, 29 and 30 there shall be paid to the overriding royalty interest owners, under the F. M. Robinson "A" Lease, in proportion to the interests they own, respectively, $7\frac{1}{2}\%$ of one-half of all of the oil and gas produced, saved and marketed from F. M. Robinson "B" Wells Nos. 28, 29 and 30, and Applicant further agrees, in said agreement, that out of the oil produced from F. M. Robinson "B" Well No. 31, to pay to the F. M. Robinson "A" Lease overriding royalty interest owners, in proportion to the interest which they own, respectively, $7\frac{1}{2}\%$ of one-fourth of all of the oil and gas produced, saved and marketed from F. M. Robinson "B" Well No. 31, and, in consideration of these payments to be made by Applicant herein to overriding royalty owners under the F. M. Robinson "A" Lease, the said F. M. Robinson "A" Lease overriding royalty interest owners agree that they shall never demand or require that American Republics Corporation drill any wells on the F. M. Robinson "A" Lease offsetting, either directly, diagonally, or otherwise, F. M. Robinson "B" Wells Nos. 28, 29, 30 and 31, at the locations hereinabove set out.

12. Heretofore, on the 25th day of April, 1949, the Oil Conservation Commission of the State of New Mexico entered Order No. 819 in Case No. 180, wherein certain specific tracts, more fully described in said Order, and to which Order reference is hereby made for the full particulars thereof, were unitized for proration purposes, and wherein American Republics Corporation was authorized to produce from each such unitized tract, described in said Order 819, the total allowable production, as fixed by the Oil Conservation Commission, for the total number of developed forty-acre units comprising such unitized tract, and was authorized to produce the total allowable so fixed by the Commission for each such unitized tract, from all of the wells that were located upon, or that may hereafter be drilled upon, such unitized tract, producing from the Grayburg-Jackson Pay, and said Order further provided that no well located upon any unitized tract should be permitted to produce at a rate in excess of the top allowable as fixed by the Oil Conservation Commission.

13. That it is not the intention, nor does Applicant herein ask for any additional allowable by reason of the drilling and completing of the hereinabove described unorthodox "five spot" line locations, as producing wells, but that it is Applicant's desire and intention to produce all such tracts unitized for proration purposes in accordance with the terms and provisions of Order No. 819 entered by the Oil Conservation Commission in Case No. 180; that is, that Applicant be authorized to produce from each F. M. Robinson "B" Lease tract, described in Order No. 819, unitiz-

ed for proration purposes, the total allowable production as fixed by the Commission for the total number of developed forty-acre units comprising each unitized tract, and that Applicant be authorized to produce the total allowable so fixed by the Commission for each unitized tract from all of the wells located upon or that may be hereafter drilled upon such unitized tract producing from the Grayburg-Jackson Pay, and that no well located upon any such unitized tract will be permitted to produce at a rate in excess of the top allowable as fixed by the Oil Conservation Commission.

WHEREFORE, Applicant prays that the Commission set a date for hearing this Application and give notice thereof in accordance with its rules and regulations, and that upon presentation of this Application an Order be entered granting Applicant permission to drill the four unorthodox "five spot" line locations hereinabove described and shown on map attached hereto, marked Exhibit "A"; and that the Commission further enter its Order authorizing such wells, upon completion as producing wells, to be produced in accordance with the terms and provisions of Order No. 819 entered by the Oil Conservation Commission of the State of New Mexico in Case No. 180.


John E. Cochran, Jr.
308 Carper Building
Artesia, New Mexico
Attorney for Applicant,
American Republics Corporation

STATE OF NEW MEXICO)
 : ss.
COUNTY OF EDDY)

W. B. MACEY, being first duly sworn upon his oath,
deposes and states:

That he is District Superintendent for Applicant,
AMERICAN REPUBLICS CORPORATION, in the above and foregoing
Application; that he has read the same and from personal
knowledge knows the matters therein contained to be true
and correct, except such statements as are alleged upon in-
formation and belief, and as to those, he verily believes
them to be true.

W. B. Macey
W. B. Macey

SUBSCRIBED AND SWORN TO BEFORE ME, this 3rd day
of August, 1950.

Edith T. Marshall
Notary Public

My commission expires:

April 15, 1954