

CASE 3376: Application of T. E.
BROWN, Jr. & Claudyne Brown Thorp
for compulsory pooling, Lea Co.

ASE No.

3376

Application,
Transcripts,

Small Exhibits

ETC.

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BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
April 13, 1966

Examiner HEARING

IN THE MATTER OF:
Application of T. E. Brown, Jr., and
Claudyne Brown Thorp for compulsory pooling,
Lea County, New Mexico.

Case No. 3376

BEFORE:

Mac Easley, Lt Governor
Guyton B. Hays, Land Commissioner
A. L. (Pete) Porter, Secretary Director

TRANSCRIPT OF HEARING



MR. PORTER: Are there any appearances in Case 3376?

MR. WATSON: Fred Watson of the firm of Watson & Watson, Artesia, appearing for the applicant; my partner Neil Watson is here, also. Ralph L. Drake, engineer, and the applicant, T. E. Brown, Jr., is present.

MR. PORTER: Thatnk you, Mr. Watson.

MR. BUELL: Guy Buell for the Pan American Corporation. I would like to enter Ross Maloney, J. K. Smith, and Guy Buell.

MR. KELLAHAN: Jason Kellahan appearing on behalf of Continental Oil Company.

MR. PORTER: Any other appearances in Case 3376? Mr. Watson, of course, you plan to put on the testimony?

MR. WATSON: Yes, sir.

MR. PORTER: Either of your gentlemen, Mr. Buell or Mr. Kellahan plan to put on testimony in the case?

MR. BUELL: Pan American at this time does not plan to put on testimony.

MR. KELLAHAN: Continental Oil Company will have no testimony.

MR. PORTER: How many witnesses do you have, Mr. Watson?

MR. WATSON: Two.

MR. PORTER: Would you have the witnesses stand

at this time and be sworn?

MR. WATSON: Yes. Mr. Gray and Mr. Brown.

(Witnesses sworn.)

(Whereupon, Applicant's 1 through 13 marked for identification.)

MR. PORTER: Mr. Watson, you may call your first witness.

MR. WATSON: May it please the Commission, I have certain preliminary exhibits which I do not believe will require any testimony which have been marked and which I would like to read a description of into the record and move they be admitted.

MR. PORTER: You may go ahead.

MR. WATSON: Applicant's proposed Exhibit Number 1 is Order Number R-2175-B entered by the Oil Conservation Commission under date of April 4, 1962, being generally the Order under which 160 acre units were established for the Lusk-Strawn Pool in Lea County, New Mexico. It is a Xerox copy of the Order but could be compared with the original if necessary.

Applicant's proposed Exhibit Number 2 is Order Number R-2760 entered in Case Number 3094 by the New Mexico Oil Conservation Commission, being dated August 14, 1964, and is an Order under which, under "FINDS" Number (8) and Order Paragraph (n), extending the Lusk-Strawn Pool to include the lands

which are involved in this application, being the Northeast Quarter of Section 7, Township 19 South, Range 32 East, N.M.P.M., Lea County, New Mexico, and other lands not material to this Application.

Applicant's Exhibit Number 3 is a letter addressed from the New Mexico Oil Conservation Commission, Mr. I. R. Trujillo, Administrative Assistant, to Mr. Neil B. Watson, dated October 13, 1965, stating that the Pan American Petroleum Corporation Greenwood Number 1 Well in the Northwest Quarter Northeast Quarter of Section 7, Township 19 South, Range 32 East, N.M.P.M., has a dedicated acreage, 160 acres, being the Northeast Quarter of Section 7, Township 19 South, Range 32 East, N.M.P.M. The ownership of the overriding royalty interests which are owned separately under the tract are set out in our application.

However, in support of such ownership the applicants propose as Exhibit Number 4, Abstract Number 3-2966 of Lovington Abstract Company, being an Abstract limited to showing all assignments of overriding royalty interests and the docket and other papers in the Estate of L. M. Price, Probate Case Number 1503, also certified copies of the court proceedings in the guardianship of Berdie Noland Price; and papers In The Matter of William Noland Price, Probate Case 2577; and papers in the Estate of Dorothy Price, Deceased,

Probate Case Number 2611, all insofar as they affect the title to the Northeast Quarter of Section 7, Township 19 South, Range 32 East, N.M.P.M.

Applicant's Exhibit Number 5 is a certified copy of Page 4 of the Inventory from the Estate of L. M. Price, Deceased, as filed in Lea County Probate Case Number 1503, which was inadvertently omitted from the Abstract which is Exhibit 4.

Applicant's Exhibit Number 6 is a Title Summary which we prepared from the Abstracts which are Exhibits 4 and 5 for the single purpose of showing that the ownership is different under the East Half Northeast Quarter and under the West Half Northeast Quarter, and it is a summary which may be of some assistance to the Commission.

Applicant's Exhibit Number 7 is an Affidavit by me, Fred A. Watson, stating the method of service which was followed in serving the application in this case and the notice of publication setting the date and time for this hearing. It is not a question of my testifying, I merely summarize in here and attach as exhibits the actual service made. For instance, the notice was published four times and we have as Exhibit A to this Exhibit Number 7, the Publisher's Affidavit showing four consecutive weeks of publication of the notice. Further, we have letters from the Corporation

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Commission showing the corporations which have registered agents in the State of New Mexico; following, an Affidavit by the Deputy Sheriff of Santa Fe County. We have Affidavits from the Secretary of State, again followed by an Affidavit of service made by the Santa Fe Sheriff showing that he has made service upon the Secretary of State. We have one Waiver of Service, it is signed by an Attorney-in-fact for one of the parties. We have the certified copy of the Power of Attorney; and finally, this Affidavit contains as an exhibit a letter from the United States Department Of The Interior, Geological Survey, acknowledging a receipt of the application and of the notice of hearing, and stating that the Government of the United States Government, since this is Federal Land, has no present objection to any forced pooling order. And this is followed by an Affidavit of Mailing by the non-resident parties interested in this case, made by Ruby Jo Bixler who is my secretary. And when I talked to Mr. Durrett he said the Commission would be willing to accept this as an exhibit.

MR. PORTER: Will your witnesses testify from or concerning any or all of these exhibits?

MR. WATSON: No, sir, these are preliminary exhibits setting forth the nature of the case.

MR. PORTER: I see. Are there any objections to the admission?



MR. MALONE: In the light of the proposed exhibits I would like to ask permission to enter an additional appearance on behalf of Kathryn Murfee on the Estate of Bertie Price, an incompetent, and I would like to have a chance to examine the exhibits, particularly the Title.

MR. PORTER: Mr. Buell, did you have any objections to the admission of the exhibits?

MR. BUELL: Pan American has no objections.

MR. PORTER: Mr. Kellahan?

MR. KELLAHAN: No objection but we would like to look at the summary of the tital information.

MR. PORTER: Would you like to do that at this time?

MR. KELLAHAN: As soon as Mr. Malone is finished, yes, sir.

MR. BUELL: I simply assume that his summary of ownership was identical as the ownership reflected in the application, is that correct?

MR. MALONE: May it please the Commission, Kathryn Murfee, Guardian of the Estate of Bertie Price has no objection to Exhibit 6. Exhibit 6 purports to be a statement, or is a statement by Mr. Watson as to the present state of the Title to the overriding royalty interests in this property as disclosed by the Abstract which we examined. We have no objection to this being admitted as showing his opinion as to

the state of the Title, however we do not admit that is a correct statement. However, we assert that 10/64 of 5 percent of the overriding royalty interests, we have half of the Northeast Section and we will offer a final opinion to be considered in connection with Exhibit 6 in due course.

MR. PORTER: Mr. Watson, would you re-offer the Exhibit under that condition?

MR. WATSON: Yes, sir, it was not meant to show anything except what we were able to find ourselves.

(Whereupon, Applicant's Exhibits
1 through 7 offered into
evidence.)

MR. PORTER: If there are no further objections the exhibits will be admitted to the record with this admission noted.

(Whereupon, Applicant's Exhibits
1 through 7 admitted into
evidence.)

MR. WATSON: Just as a brief statement, if it please the Commission, as to what this matter is all about. The Pan American Petroleum Corporation Greenwood-Pre-Grayburg Number 1 located in the Northwest of the Northeast of Section 7, Township 19 South, Range 32 East, is completing a production from the Strawn Formation and from the exhibits now introduced it is apparent that there is 160 acre spacing in force and that the lands involved in this application, the Northeast

quarter of Section 7, are the dedicated proration units for this well. Further from the exhibits which are in evidence, the overriding royalty, I guess not uniform throughout the lands, it is our best information that the working interest is uniform and in effect has been pooled by the dedication of this 160 acres, but the overriding royalty, although it is of equal amount, is different in the West Half of the Northeast Quarter and this East Half of the Northeast Quarter, and we are seeking an order of pooling.

MR. PORTER: So the application is to pool the overriding royalty interests?

MR. WATSON: Yes, sir. The Commission established the 160 acre spacing in Case Number 2469 which was an application by El Paso Natural Gas Company, for the establishment of special rules and regulations including 160 acre spacing. The case was first heard on January 4, 1962 and Order Number R-2175 established 80 acre spacings. And then upon the re-hearing of March 14, 1962 the Commission entered Order R-2175B establishing 160 acre spacing.

I would prefer not to go into the testimony in those cases and would ask the Commission to take administrative notice of its previous ruling and testimony in those cases.

MR. PORTER: The Commission will take administrative notice.

MR. WATSON: We have had these distributed out and Mr. Gray has had an opportunity to examine them, and I would ask him just one or two preliminary questions on this.

R A L P H G R A Y, a witness, having been first duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. WATSON:

Q First, Mr. Ralph Gray has not testified before this Commission and we would like to have him state his educational qualifications.

A Graduated from the New Mexico School of Mines in 1939 and received the D.S. Degree of Petroleum Engineer, I also received the professional degree of Petroleum Engineer from the same school in 1944. My professional background includes 9 years with the Engineering Department of Stanlan Oil and Gas Company; 10 years as Production Superintendent for Buffalo Oil Company; and for the past 8 years I have operated a consulting petroleum engineering firm in Artesia.

MR. PORTER: The witnesses qualifications are acceptable to the Commission.

Q (By Mr. Watson) Mr. Gray, have you had an opportunity to study the transcript of the hearing of January 4, 1962 and the transcript of the re-hearing of

March 14, 1962 in Case Number 2469?

A Yes, sir.

Q You have gone through those thoroughly?

A Yes, sir.

Q Considering the evidence offered in those cases, and considering that it was correct evidence, do you agree that a 160 proration unit is a proper unit to prevent waste in the Lusk-Strawn Pool--

A Yes, sir.

Q --in Lea County, New Mexico?

A Yes, sir.

Q Have you made a supplemental study and prepared exhibits based upon information which was not available when that case was heard?

A Yes, we have taken information that has occurred since that time and we think that it confirms the earlier conclusions that were reached in these.

Q Now, you have before you what has been -- gentlemen, these are the new exhibits and they are in order. Now, you have before you what has been tendered as Applicant's Exhibit 8. Would you describe what that is, please, sir?

A Exhibit Number 8 is a map which shows a portion of the Lusk-Strawn Pool. This shows the Pan American Greenwood Number 1 Well in the Northeast Quarter of Section 7 of Township

19 South, Range 32 East, and also the surrounding areas.

This map also shows the net pay thickness in the form of a contour map. Also, this map indicates that we can reasonably assume that the entire portion of the Northeast Quarter of Section 7 is productive of oil.

Q That's the entire lands under examination?

A Yes.

MR. PORTER: May I interrupt a moment. Has anyone seen Mr. Clarence Hinkle here?

MR. WATSON: Have the Commissioners any questions or should I go through the entire--

MR. PORTER: Why don't you go through your whole direct testimony. If there are any questions you will be given an opportunity at that time to ask them.

Q (By Mr. Watson) Mr. Gray, Applicant's Exhibit 9 consists of a Gamma Ray Log. Would you please describe that?

A This Exhibit 9 shows a portion of the Gamma Ray Sonic Log for the Pan American Petroleum Corporation's Greenwood Number 1 Well. The pay section as we interpret it is shown by the red coloring on the sonic portion on the right side of this diagram.

The exhibit also indicates the interval that was perforated and shows the top of the Strawn Reef Formation.

Q Now, Exhibit Number 10 is a schedule showing the production from the Pan American Petroleum Corporation Greenwood Number 1 Well, is that correct?

A Yes, that's correct. Exhibit Number 10 shows monthly oil and gas production starting in October 1964 up through December the 31, 1965. The cumulative oil produced as of January 1, 1966, according to this information that has been published, is 133,615 barrels.

Q From what publication did you take that, Mr. Gray?

A From the Oil and Gas Commission Reports.

Q And what was the significance of starting in October of 1964?

A Well, that's the first production.

Q Now, then, Exhibit Number 11 is a graph?

A Is a graph showing the oil production by months. This is just a graphical representation of the same information that was shown in Exhibit 10. Also, Exhibit Number 11 shows the expected future production rate by the dotted line which shows that this well will have a future production life of approximately 4 1/2 to 5 years.

Q If you will move to Exhibit 12, which is a calculation of your oil reserves, please?

A Exhibit Number 12 shows data used in calculating the oil reserves for the Pan American Greenwood Oil Well Number

1. The data used are net pay thickness of 12 feet; average porosity of 5.14 percent; water saturation of 30 percent; recovery factor of .50 of the oil in place. I might state that this is a very optimistic figure. The formation volume factor is 2.25.

The calculation of the recoverable oil by volumetric method amounts to 62 barrels per acre foot, or 744 barrels per acre. Now, if we assume that this well will only drain 40 acres the expected ultimate oil to be recovered would be 29,760 barrels of oil. If we assume that this well will drain 160 acres the expected oil recovery under this 160 acres would be 119,040 barrels of oil.

We take note of the fact that as of January the 1st, 1966, this well has already recovered 133,615 barrels of oil, which is considerably in excess of what we would expect to be recovered under the 160 acre tract. Now--

MR. PORTER: You're not recommending that the well be plugged, are you?

THE WITNESS: No, sir, trying to arrive at what we think the actual recovery will be from the well. We have extrapolated the decline curve, which is shown on Exhibit Number 11, and assuming a 50 percent decline per year the estimated future oil recovery from January the 1st, 1966, would be 120,354 barrels of oil. When we add this to the

amount of oil that has been recovered up to January the 1st, the estimated actual ultimate recovery from this well will be 253,969 barrels. So these figures show that certainly this well is draining much more than the 160 acres, in fact.

Q (By Mr. Watson) You have prepared, also, as Exhibit 13, a bottom hole pressure data sheet?

A Yes. Exhibit Number 13 shows the bottom hole pressure data on a few wells in the Lusk-Strawn Pool. The original bottom hole pressure for the pool was 5862 pounds per square inch at a -7800' datum. After the completion of the original well we have gone through and obtained original bottom hole pressures on wells which were drilled after the discovery time.

The Shell-Middleton Federal "A" Number 2 Well located in Section 30 of 19-32 had an original bottom hole pressure of 5107 PSI and the date that that was taken was on April the 4th, 1963.

The Southern New Mexico Oil Corporation Southern California Petroleum Federal Number 4 Well located in Section 29 of 19-32 has an original bottom hole pressure of 4093 PSI and that date was May the 19th, 1964.

Tenneco - Barton Number 2 Well located in Section 22 of 19-31 had an original bottom pressure of 3705 PSI. The date that that pressure was taken was April the 19th, 1965.

Phillips - Simon "A" Number 1 Well located in Section 13 of 19-31 had an original bottom hole pressure of 3815 PSI. The date of that pressure was April the 2nd, 1965.

Now, what this data shows is that the original bottom hole pressure of wells which were drilled later in the life of the pool coincided approximately with the bottom hole pressure for the pool which shows that these areas had been drained before the wells were drilled. They were drained by the older wells in the pool. So here again this information shows that one well will actually drain a greater area than 160 acres.

Q In summary, Mr. Gray, it's your conclusion that a well in the Lusk-Strawn Pool, Lea County, New Mexico, will drain at least 160 acres, and undoubtedly in excess of 160 acres?

A Yes, sir.

Q And this particular well, Pan American Pre-Grayburg-
Greenwood Number 1 will drain at least 160 acres?

A Yes, sir.

MR. PORTER: Does this conclude your direct?

MR. WATSON: I wanted to put Mr. Brown on. Were Exhibits 8, 9, 10, 11, 12 and 13 all prepared by you, sir?

A Yes, sir.

MR. WATSON: The applicant offers those exhibits.

(Whereupon, Applicant's Exhibits
8, 9, 10, 11, 12 and 13
offered into evidence.)

MR. PORTER: 8, 9, 10, 11, 12, and 13?

MR. WATSON: Yes, sir.

MR. PORTER: Are there any objections?

MR. KELLAHAN: I didn't get the date of the first
production. Could you give me that, please?

MR. WATSON: Easily, October 19, 1964.

MR. BUELL: May it please the Commission, Pan
American has no objections to the entrance of these exhibits
as evidence. Do I understand correctly that Mr. Gray is
through with his testimony?

MR. PORTER: With the direct. He'll be subject
to cross-examination.

MR. BUELL: Since he is through we have no questions
of him on cross-examination. I would like for the record
to reflect that we do not agree or disagree but simply that
we have no questions as to the forced pooling application.

MR. PORTER: The record will so reflect. The
exhibits will be admitted.

(Whereupon, Applicant's Exhibits
8, 9, 10, 11, 12 and 13
admitted into evidence.)

MR. PORTER: Does anyone have any questions of
Mr. Gray? The witness may be excused.

T. E. B R O W N, J R., a witness, having been first duly sworn on oath, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. WATSON:

Q You are T. E. Brown, Jr.?

A I am.

Q You are one of the applicants in this case?

A I am.

Q Mr. Brown have you received any payments by reason of your overriding royalty interests under the East Half or North Half of Section 7 of the lands involved in this application?

A No.

Q Is it your information that all moneys attributable to 5 percent overriding royalty are being held in suspense by the purchasers of production?

A Yes.

MR. PORTER: The 5 percent is being held in escrow?

MR. WATSON: In suspense.

MR. PORTER: In suspense?

MR. WATSON: Yes, sir. This is the only purpose for putting Mr. Brown on. Since first production its been held in suspense.

MR. PORTER: Does anyone have a question of Mr.

Brown? The witness may be excused. Does this conclude your testimony?

MR. WATSON: Yes, sir, it does.

MR. PORTER: Anyone else desiring to present testimony at this time?

MR. MALONE: On behalf of Kathryn Murfee, Guardian of Bertie Noland Price, an incompetent, we would like to state that inasmuch as this is not an appropriate forum which to adjudicate conflicting interests in the Title, but we would like to offer one exhibit dated March 24, 1965, entitled "Division Order Title Opinion". The exhibit is offered for consideration in connection with the conclusions of Mr. Watson as to the state of Title shown by Exhibit 6. We therefore ask that the exhibit be identified as Kathryn Murfee's Guardian Exhibit Number 1.

(Whereupon, Kathryn Murfee's
Guardian Exhibit Number 1
marked for identification.)

MR. PORTER: Murfee?

MR. MALONE: M-u-r-f-e-e. I might also say that in offering this opinion of Pan American Petroleum Corporation it is done so without warranty on the part of Pan American Corporation.

(Whereupon, Kathryn Murfee's
Guradian Exhibit Number 1
offered into evidence.)

MR. PORTER: Any objection to Mr. Malone's exhibit? It will be admitted.

(Whereupon, Kathryn Murfee's Guardian Exhibit Number 1 admitted into evidence.)

MR. PORTER: Any statements to be offered in this case?

MR. BUELL: May it please the Commission, on behalf of Pan American Petroleum Corporation I would like for the record to reflect that we certainly have no objection to the forced pooling of these overriding royalties. In our opinion that is the only solution to the problem that we're faced with here. Actually, in this case Pan American has just been a stakeholder and when the controversy of the overriding royalty payments developed, Pan American has been holding the entire 5 percent overriding interests in escrow or in suspense.

It makes no difference to the working interest owners, Pan American, Continental, Shell and City Service, to whom we pay that 5 percent. We simply want to assure ourselves that we pay that 5 percent in the proper amounts to the proper parties.

When I say we are a stakeholder I don't want to make the impression that Pan American is cold or indifferent to the rights of anyone, but we can not substitute our opinion for

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the opinion of the Supreme Court of the State of New Mexico which has placed it under the nonapportionment rule and it was under that rule that we prepared the division orders which showed the Brown group their interests.

Pan American feels the retroactive aspect of this case from a general policy standpoint is bad.

I have searched my mind and memory and I cannot recall a single instance where this Commission has issued a retroactive proration order.

It does not take much knowledge to see how a retroactive order could do great violence to a proration act.

I will say this in fairness to those applicants, that we have placed the 5 percent in suspense and in this particular case a retroactive order would not adversely financially affect any of the working interest owners.

MR. PORTER: You have the money, you just want a determination made as to who you are paying it to?

MR. BUELL: We are ready and willing now, and have always been so, to pay that money to the -- to whoever the parties are in the proper proportion.

MR. MALONE: On behalf of the Guardian we would join in the application of Mr. Brown on the question of the Title and the interests held by the Guardian. If this is in fact a conflict, that of course, will have to be determined

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in a court action.

With reference to the retroactive aspects of the application, while we would very much like to have the benefit of a retroactive order, my understanding of the law is that a legislative body can act only prospectively. Its order pooling the royalty interests can only be effective from the date it's entered, and henceforth, and the function of adjudicating the right of impounding proceeds from past production has to be performed by a court.

If it seems to be a case that all the royalty owners are in agreement, that if this pooling order is in agreement, all the funds should be distributed on that basis, on the basis of merely a prospective order by the Commission, the end might be achieved.

MR. PORTER: Mr. Watson, did you have a closing statement?

MR. KELLAHAN: Continental Oil Company joins in the statement made on behalf of the Petroleum Corporation. Continental is one of the main working interest owners and Pan American is the operator. As we see it there is certainly no objection to the forced pooling in this tract and this is the proper remedy and probably should have been brought as an action before the Commission long before this date if they wanted to participate in the proceeds from the

early production.

The problem we have here is that this tract has been divided into two tracts as far as the royalty ownership is concerned. We follow the nonapportionment rule and must in our opinion attribute the royalty. This is our interpretation of the New Mexico Supreme Court Decision. We can't be expected then to tender the royalty at our own risk and we wouldn't want to see Pan American put into that position.

As Mr. Buell stated, no one is going to be hurt in this case but this is not the proper forum to hear the ownership for production from October 1964.

Certainly once this Commission enters the forced pooling order the Commission cannot affect the past production.

MR. PORTER: Mr. Watson.

MR. NEIL WATSON: On behalf of the applicants, may it please the Commission, it appears we're in this position. There is no one here objecting to this application for forced pooling. Everyone here who has made a statement has stated that it is the only solution to this problem. Certainly it is our position that under the law the Commission has full authority under Section 65-3-14 to enter this order.

Now, with respect to the question of whether or not it has any retroactive effect, the evidence is here before the

Commission that the entire 5 percent overriding royalty has been held in suspense ever since this well was placed in production. Now, in connection with this statement we did not introduce any evidence as to whether division orders were first circulated but I can assure the Commission that our client did not have any chance to see or examine a division order when the well was brought in, as a producer, it was some months later. And when they were first circulated the applicant, T. E. Brown, Jr., made his objection known to the purchasing company at that time.

We filed our application sometime ago. Now, as I understand it the position that has been stated here, no one who has made a statement objects to this order becoming effective with the first production. It is simply that the objection is that this might create a precedent which the Commission might have to follow.

So far as I know there is no set tradition that the Commission has taken that a precedent has been set. As far as I know the Commission has in the past issued orders granting a back allowable for governing production that had already been produced or was going to be produced from a particular well which certainly could be considered as a retroactive order. In other words, as the matter now stands before the Commission, it is our position that the Commission

definitely has the authority under the law to enter the order we request in the application. It is further our position that the evidence and the statements that have been made here established that no one here is objecting to the entry of such an order and that the entry of such an order is the only way to solve the particular problems here.

Certainly there is no question but what the testimony establishes that the 160 acre spacing order issued by the Commission was issued in the first instance for the purpose of prevention of waste and it necessarily follows that the persons who own interests are entitled to share in the production that is produced from that 160 acres.

MR. PORTER: Anyone else have a statement to make in the case? If there is nothing further to be presented the Commission will take the case under advisement.

I N D E XWITNESSES:PAGE

RALPH GRAY

Direct Examination by Mr. Watson

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T. E. BROWN

Direct Examination by Mr. Watson

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E X H I B I T S

<u>NUMBER</u>	<u>MARKED FOR IDENTIFICATION</u>	<u>OFFERED</u>	<u>ADMITTED</u>
Applt's 1	3	8	8
Applt's 2	3	8	8
Applt's 3	3	8	8
Applt's 4	3	8	8
Applt's 5	3	8	8
Applt's 6	3	8	8
Applt's 7	3	8	8
Applt's 8	3	17	17
Applt's 9	3	17	17
Applt's 10	3	17	17
Applt's 11	3	17	17
Applt's 12	3	17	17
Applt's 13	3	17	17
Kathryn Murfee's Guardian Exhibit #1	19	19	20

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

BOTTOM HOLE PRESSURE DATA

Exhibit No. 13
Case No. 3316

LUSK STRAWN POOL

Original Pool Bottom Hole Pressure - 5862 psi. at -7800' datum.

Original Pressures for Wells Drilled later in Pool Life:

<u>WELL</u>	<u>LOCATION</u>	<u>ORIGINAL BHP</u>	<u>DATE RUN</u>
Shell-Middleton Fed. "A" #2	P-Sec. 30-19-32	5107	4-4-63
Southern N. Mex. Oil Corp.- S. Calif. Pet.-Fed. #4	I-Sec. 29-19-32	4093	5-19-64
Tenneco - Barton #2	P-Sec. 22-19-31	3705	4-19-65
Phillips - Simon "A" #1	O-Sec. 13-19-31	3815	4-2-65

Exhibit 5 13

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. 2469
Order No. R-2175-B

APPLICATION OF EL PASO NATURAL GAS
COMPANY FOR THE ESTABLISHMENT OF
SPECIAL RULES AND REGULATIONS FOR
THE LUSK-STRAWN POOL, LEA COUNTY,
NEW MEXICO.

RECEIVED

MAY 4 1962

ORDER OF THE COMMISSION

D. C. C.
ARTERIA, OFFICE

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on March 14, 1962, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 4th day of April, 1962, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, and being fully advised in the premises,

FINDS:

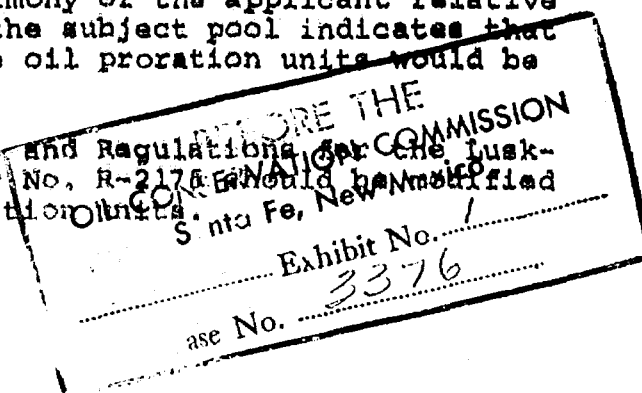
(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, El Paso Natural Gas Company, on rehearing, seeks a modification of the Special Rules and Regulations for the Lusk-Strawn Pool as contained in Order No. R-2175 entered in Case No. 2469 on January 30, 1962, to provide for the development of said pool on 160-acre proration units.

(3) That the present testimony of the applicant indicates that one well can efficiently drain 160-acres.

(4) That the present testimony of the applicant relative to the economics of drilling in the subject pool indicates that development on less than 160-acre oil proration units would be uneconomical.

(5) That the Special Rules and Regulations for the Lusk-Strawn Pool as contained in Order No. R-2175 should be modified to provide for 160-acre oil proration units.



IT IS THEREFORE ORDERED:

(1) That Special Rules and Regulations for the Lusk-Strawn Pool, Lea County, New Mexico, are hereby promulgated as follows:

SPECIAL RULES AND REGULATIONS
FOR THE LUSK-STRAWN POOL

RULE 1. Each well completed or recompleted in the Lusk-Strawn Pool or in the Strawn formation within one mile of the Lusk-Strawn Pool, and not nearer to nor within the limits of another designated Strawn pool, shall be spaced, drilled, operated, and prorated in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. Each well completed or recompleted in the Lusk-Strawn Pool shall be located on a unit containing 160 acres, more or less, substantially in the form of a square, which is a quarter section being a legal subdivision of the United States Public Lands Survey.

RULE 3. Each well completed or recompleted in said pool shall not be drilled closer than 660 feet to any quarter section line nor closer than 330 feet to any quarter-quarter section line. Any well which was drilling to or recompleted in the Lusk-Strawn Pool prior to January 4, 1962, is granted an exception to the well location requirements of this Rule.

RULE 4. For good cause shown, the Secretary-Director of the Commission may grant an exception to the requirements of Rule 2 without notice and hearing when the application is for a non-standard unit comprising less than 160 acres. All operators offsetting the proposed non-standard unit shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director of the Commission may approve the application if, after a period of 30 days, no offset operator has entered an objection to the formation of such non-standard unit.

The allowable assigned to any such non-standard unit shall bear the same ratio to a standard allowable in the Lusk-Strawn Pool as the acreage in such non-standard unit bears to 160 acres.

RULE 5. A 160-acre proration unit (158 through 162 acres) in the Lusk-Strawn Pool shall be assigned a 160-acre proportional factor of 8.67 for allowable purposes, and in the event there is more than one well on a 160-acre proration unit, the operator may produce the allowable assigned to the unit in any proportion.

-3-

CASE No. 2469

Order No. R-2175-B

RULE 6. The limiting gas-oil ratio in the Lusk-Strawn Pool shall be 4000 : 1.

PROVIDED HOWEVER, That the provisions of Rules 5 and 6 shall not become effective until such time as all wells presently completed in the subject pool are connected to a casinghead gas gathering system.

(2) That Order No. R-2175 entered in Case No. 2469 on January 30, 1962, is hereby superseded.

(3) 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.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

E. S. WALKER, Member

S E A L

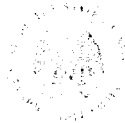
A. L. PORTER, Jr., Member & Secretary

esr/

GOVERNOR
JACK M. CAMPBELL
CHAIRMAN

State of New Mexico
Oil Conservation Commission

LAND COMMISSIONER
GUYTON B. HAYS
MEMBER

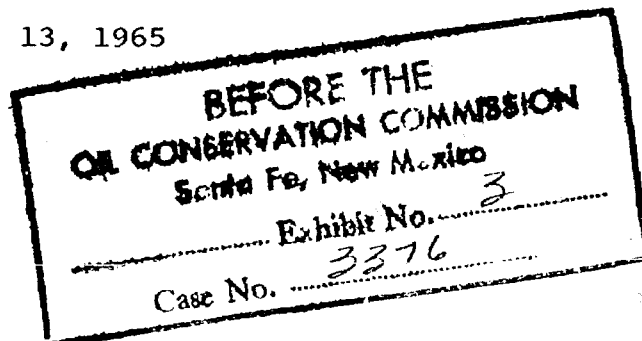


P. O. BOX 2088
SANTA FE

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

October 13, 1965

Mr. Neil B. Watson
Watson & Watson
Carper Building
P. O. Drawer E
Artesia, New Mexico



Dear Sir:

Reference is made to your letter dated October 8, 1965, concerning the number of acres dedicated to the Pan American Petroleum Corporation, Greenwood #1, NW NE, Section 7, Township 19 South, Range 32 East.

Enclosed please find a copy of the Well Location and Acreage Dedication Plat filed by Pan American and indicating the dedicated acreage is 160 acres being the NE/4 of Section 7, Township 19 South, Range 32 East. The subject well is producing from the Lusk Strawn Pool which has 160 acre spacing and was issued a top allowable of 330 BOPD for the month of October, 1965.

If we can furnish additional information regarding the above, please advise.

Very truly yours,

I. R. TRUJILLO
Administrative Assistant

IRT/og
Encl. 1

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

FORM C-123
 Revised 5/1/57

SEE INSTRUCTIONS FOR COMPLETING THIS FORM ON THE REVERSE SIDE

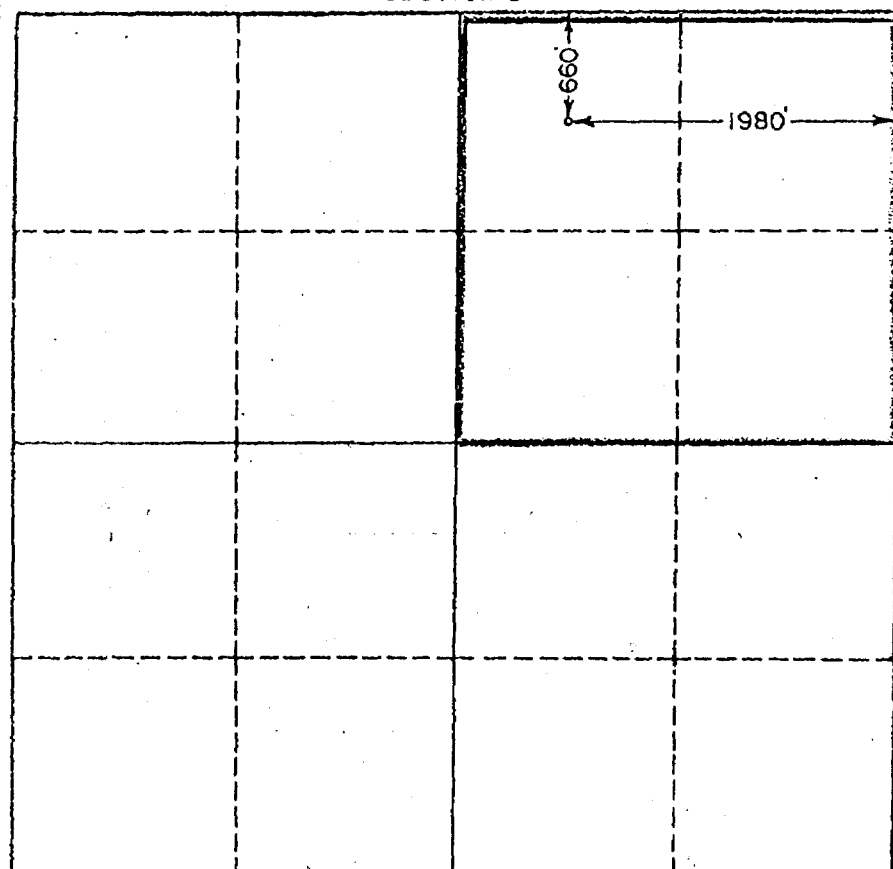
SECTION A

Operator PAN-AMERICAN PET. CORP.		Lease GREENWOOD-PRE-GRAYBURG OPERATING AREA		Well No. 1
Unit Letter B	Section 7	Township T19S	Range R32E	County LEA
Actual Footage Location of Well: 660 feet from the NORTH line and 1980 feet from the EAST line				
Ground Level Elev.	Producing Formation Strawn	Pool Trask Strawn Ext	Dedicated Acreage: 160 Acres	

1. Is the Operator the only owner in the dedicated acreage outlined on the plat below? YES ☒ NO ☐ ("Owner" means the person who has the right to drill into and to produce from any pool and to appropriate the production either for himself or for himself and another. (63-3-29 (a) NMSA 1935 Comp.)
2. If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? YES ☐ NO ☐ If answer is "yes," Type of Consolidation _____
3. If the answer to question two is "no," list all the owners and their respective interests below:

Owner	Land Description

SECTION B



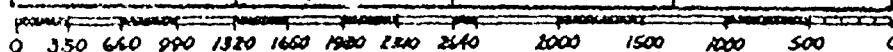
CERTIFICATION

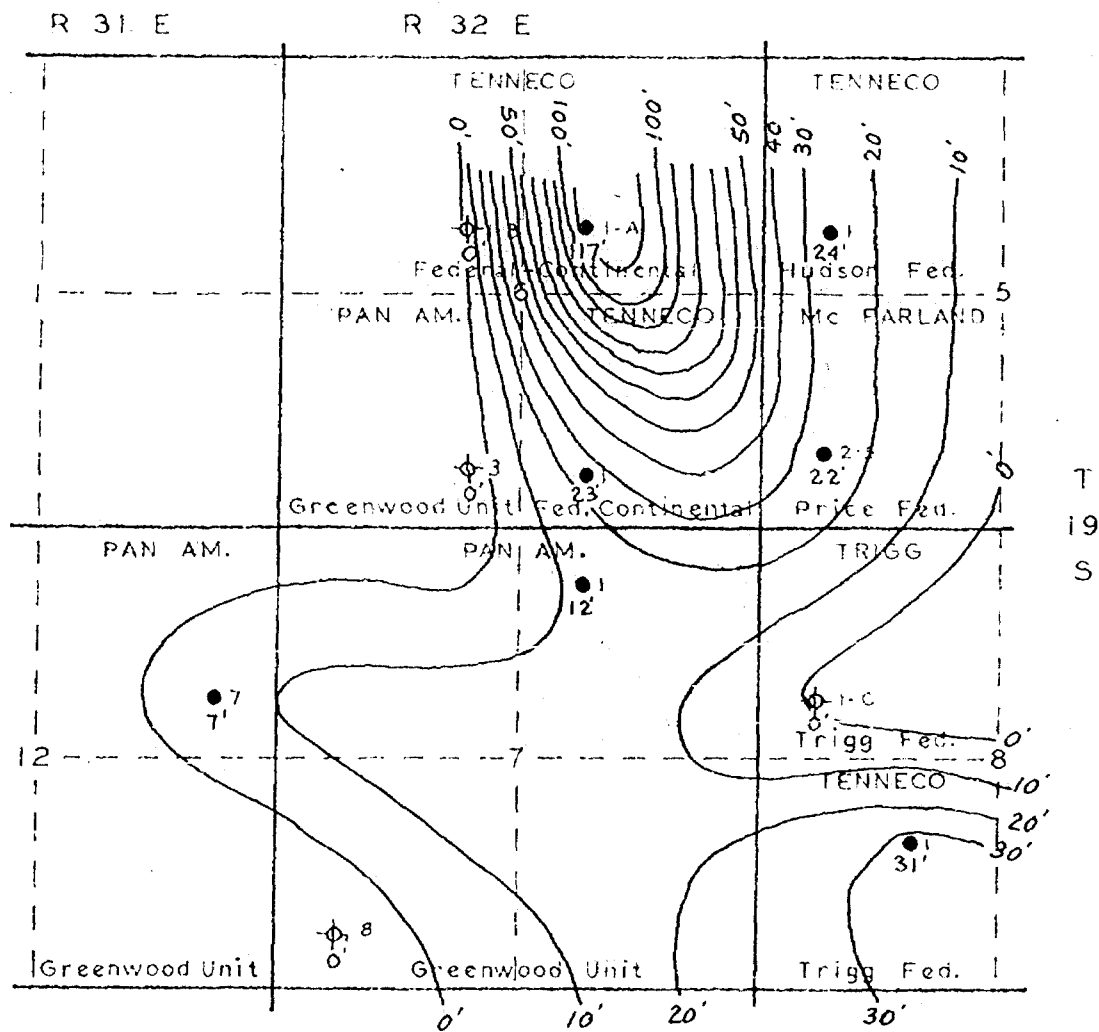
I hereby certify that the information in SECTION A above is true and complete to the best of my knowledge and belief.

Name	Original Signed by: V. B. STALEY
Position	Area Superintendent
Company	Pan American Petroleum Corp.
Date	August 24, 1964

I hereby certify that the well location shown on the plat in SECTION B was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed	8/13/64
Registered Professional Engineer and/or Land Surveyor	JOHN W. WEST
Certificate No.	76
N.M. P.E. & L.S. NO. 878	





PORTION OF LUSK STRAWN POOL

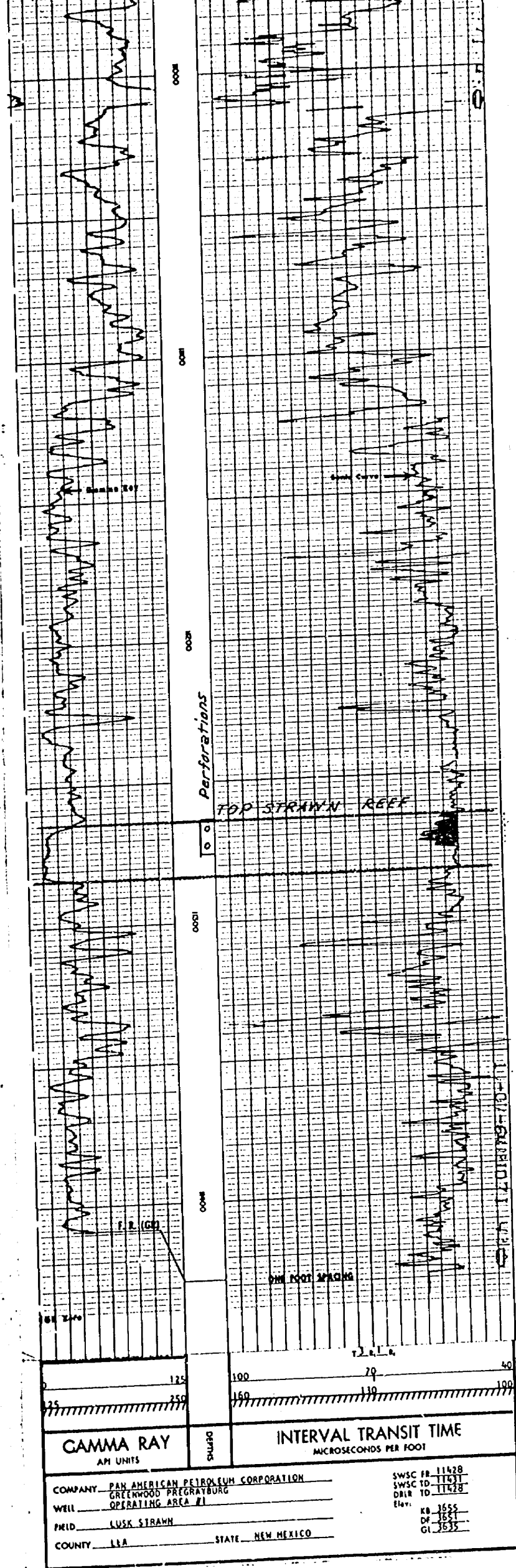
NET PAY THICKNESS

SCALE: 1" = 2000'

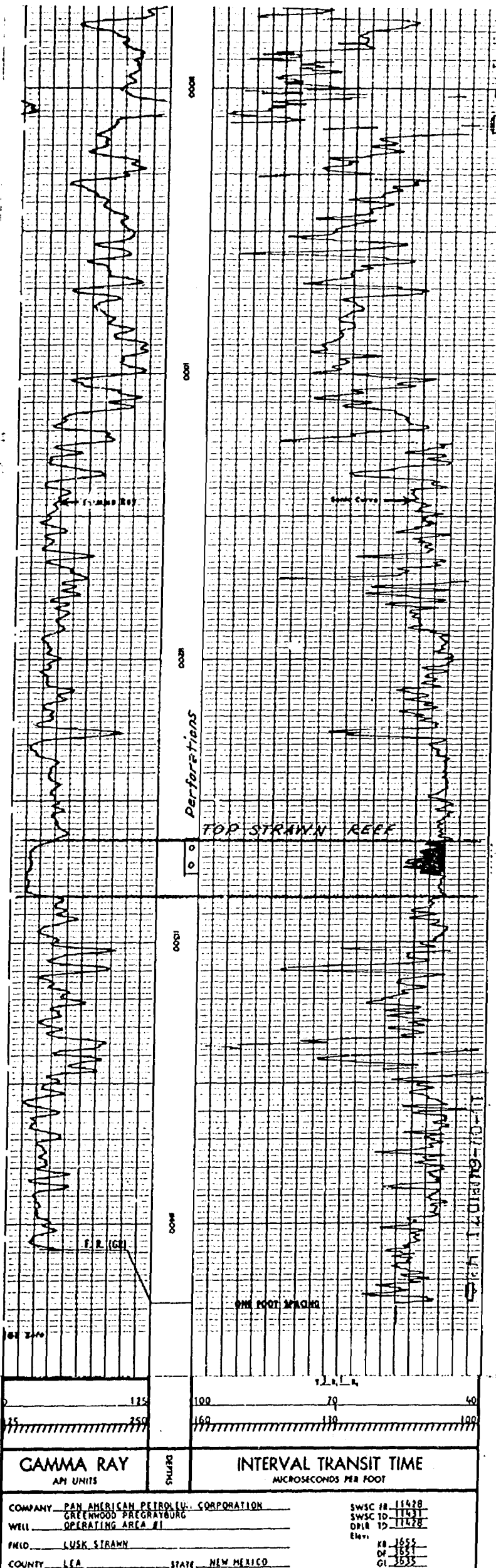
RALPH L. GRAY
PETROLEUM ENGINEERING

Exhibit F.8

Case 3376



Core 2.37
Exhibit 4.9



Core 337
Exhibit 4.9

OIL AND GAS PRODUCTION
PAN-AMERICAN PETROLEUM CORPORATION
GREENWOOD #1

	<u>OIL</u>	<u>GAS</u>
1964 - Oct.	7,234	14,272
Nov.	10,062	22,123
Dec.	<u>10,581</u>	<u>19,232</u>
	27,877	55,627
1965 - Jan.	10,857	23,745
Feb.	9,800	12,348
Mar.	10,566	19,210
Apr.	9,909	18,481
May	10,210	19,664
June	9,565	18,795
July	9,486	17,623
Aug.	8,574	16,817
Sept.	6,655	9,598
Oct.	6,029	11,002
Nov.	7,492	14,305
Dec.	<u>6,595</u>	<u>15,195</u>
	105,738	196,783
Cumulative	133,615	

Exhibit 4.10

Bbls. Oil Per Month

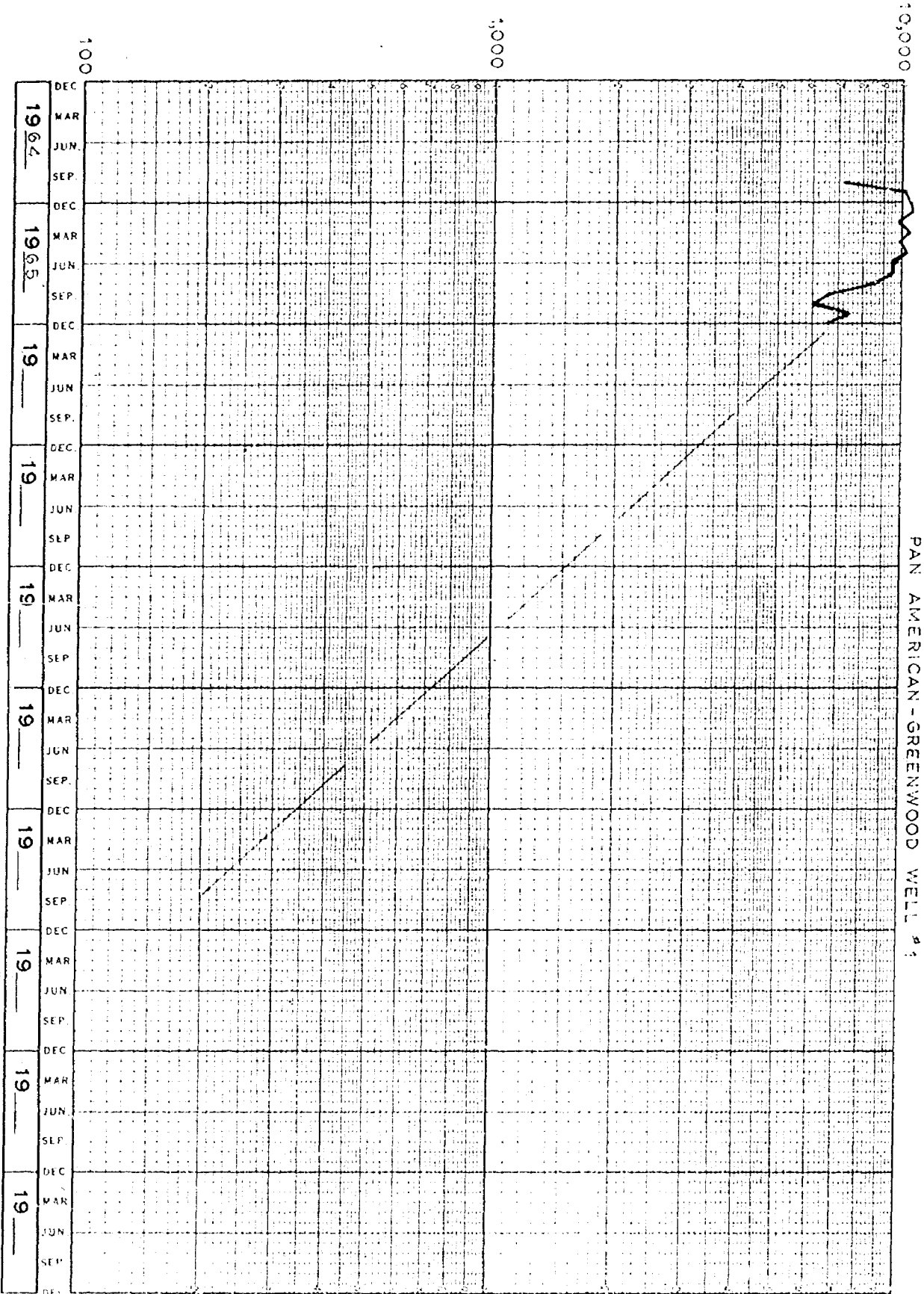


Exhibit 42 //

CALCULATION OF OIL RESERVES

PAN-AMERICAN - GREENWOOD WELL #1

UNIT B - SEC. 7-19S-32E

DATA

Net Pay Thickness - - 12 Feet
Average Porosity - - 5.14%
Water Saturation - - 30%
Recovery Factor - - - .50 of oil in place
FVF - - - - - 2.25

Recoverable Oil, R

$$= \frac{7758 \times .0514 \times .70 \times .50}{2.25} = 62 \text{ bbls./ac.ft.}$$

or 744 bbls./ac.

Recovery from 40 acres - - - 29,760 bbls.

Recovery from 160 acres - - 119,040 bbls.

Oil Production to Jan. 1, 1966 - 133,615 bbls.

Estimated Future Oil Recovery, N

Assume 50 percent decline/year

Decline to 200 bbls. per month

Decline Factor = 5.65

$$N = \frac{7,000 - 200}{5.65 \times 10^{-2}} = 120,354 \text{ bbls.}$$

Estimated Actual Ultimate Recovery = 253,969 bbls.

Exhibit 8, 12

BOTTOM HOLE PRESSURE DATA

LUSK STRAWN POOL

Original Pool Bottom Hole Pressure - 5862 psi. at -7800' datum.

Original Pressures for Wells Drilled later in Pool Life:

<u>WELL</u>	<u>LOCATION</u>	<u>ORIGINAL BHP</u>	<u>DATE RUN</u>
Shell-Middleton Fed. "A" #2	P-Sec. 30-19-32	5107	4-4-63
Southern N. Mex. Oil Corp.- S. Calif. Pet.-Fed. #4	I-Sec. 29-19-32	4093	5-19-64
Tenneco - Barton #2	P-Sec. 22-19-31	3705	4-19-65
Phillips - Simon "A" #1	O-Sec. 13-19-31	3815	4-2-65

Exhibit 8 12

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO

LEGAL DIVISION
PHONE 827-2741

January 28, 1966

Mr. Fred A. Watson
Attorney at Law
P. O. Drawer E
Artesia, New Mexico

Re: Case 3376

Dear Fred:

As requested in your letter of January 27, 1966, I am enclosing 30 copies of our usual Notice of Publication for your use in advertising the above case and giving personal notice or notice by mailing.

We will include this case in our regular publication prior to the hearing.

Very truly yours,

J. M. DURRETT, Jr.
Attorney

JMD/esr
Enclosures

DOCKET MAILED

Date 3-29-66
n

C
O
P
Y

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION)
OF T. E. BROWN, JR., AND CLAUDYNE)
BROWN THORP FOR COMPULSORY POOL-)
ING, LEA COUNTY, NEW MEXICO)

No. 3376

ENTRY OF APPEARANCE

The undersigned, Atwood & Malone of Roswell, New Mexico,
a firm of attorneys, all of whose members are duly licensed to prac-
tice law in the State of New Mexico, hereby enters its appearance as
local counsel with Guy Buell, Esquire, or J. K. Smith, Esquire, of
the Texas Bar, for Pan American Petroleum Corporation in the above
entitled cause.

DATED at Roswell, New Mexico, this 5th day of April, 1966.

ATWOOD & MALONE

By Russ L. Malone
Attorneys for Pan American
Petroleum Corporation
Post Office Drawer 700
Roswell, New Mexico

ATWOOD & MALONE
LAWYERS

P. O. DRAWER 700
TELEPHONE 505 622-6221
SECURITY NATIONAL BANK BUILDING
ROSWELL, NEW MEXICO
86201

JEFF D. ATWOOD (1983-1980)
ROSS L. MALONE
CHARLES F. MALONE
RUSSELL D. MANN
PAUL A. COOTER
BOB F. TURNER
ROBERT A. JOHNSON

APR 5 1966

APRIL
5th
1966

Mr. A. L. Porter, Jr., Secretary
New Mexico Oil Conservation Commission
Post Office Box 871
Santa Fe, New Mexico

Dear Mr. Porter:

We enclose herewith our Entry of Appearance in Case
Nos. 3376 and 3390 for Pan American Petroleum Cor-
poration. Would you please file the same.

Appreciating your courtesy, we are,

Very truly yours,

Ross L. Malone
for ATWOOD & MALONE

R
L
M

*

v

Encls.

Cc: J. K. Smith, Esquire

DOCKET: REGULAR HEARING - WEDNESDAY - APRIL 13, 1966

OIL CONSERVATION COMMISSION - 9 A.M., THE INN MOTOR HOTEL, CONVENTION CENTER,
200 SOUTH LINAM, HOBBS, NEW MEXICO

- ALLOWABLE (1) Consideration of the oil allowable for May, 1966;
- (2) Consideration of the allowable production of gas for May, 1966, from thirteen prorated pools in Lea, Eddy, and Roosevelt Counties, New Mexico. Consideration of the allowable production of gas from nine prorated pools in San Juan, Rio Arriba and Sandoval Counties, New Mexico, for May, 1966.

CASE 3389: Application of David Fasken for down-hole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle in the wellbore, production from the North Bagley-Upper Pennsylvanian, North Bagley-Middle Pennsylvanian, and North Bagley-Lower Pennsylvanian Oil Pools in his Felmont Celler Well No. 1, located in Unit H of Section 9, Township 11 South, Range 33 East, Lea County, New Mexico, with the provision that no more than one top allowable could be produced from said well.

CASE 3376: Application of T. E. Brown, Jr. and Claudyne Brown Thorp for compulsory pooling, Lea County, New Mexico. Applicants, in the above-styled cause, seek an order pooling all oil and gas mineral interests in the Lusk-Strawn Pool underlying the NE/4 of Section 7, Township 19 South, Range 32 East, Lea County, New Mexico. Said order to be effective the date of first production from said land and pool.

CASE 3390: Application of Pan American Petroleum Corporation for special rules for the East Hightower-Lower Pennsylvanian Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the East Hightower-Lower Pennsylvanian Pool, Lea County, New Mexico, including a provision for 80-acre proration units.

CASE 3391: Application of The Atlantic Refining Company for three waterflood projects, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project on each of three separate contiguous leases, pending unitization, by the injection of water into the Yates and Upper Queen formations, Shugart Pool, through five wells located in Sections 34 and 35, Township 18 South, Range 31 East, Eddy County, New Mexico. Applicant further seeks an administrative procedure whereby the project areas could be consolidated or expanded to include other lands upon unitization and whereby additional injection wells could be approved.

CASE 3392: Southeastern New Mexico nomenclature case calling for an order for the creation, extension and contraction of certain pools in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico.

a) CREATE A new gas pool for San Andres production designated as the South Crossroads-San Andres Gas Pool. The discovery well is W. K. Byrom, T. P. State No. 1, located in Unit K of Section 10, Township 10 South, Range 36 East, NMPM. Said pool described as:

TOWNSHIP 10 SOUTH, RANGE 36 EAST, NMPM
SECTION 10: SW/4

APRIL 13, 1966, REGULAR HEARING

- b) EXTEND the Chaveroo-San Andres Pool to include therein:

TOWNSHIP 7 SOUTH, RANGE 33 EAST, NMPM
SECTION 24: SW/4
SECTION 25: W/2
SECTION 26: S/2
SECTION 28: NE/4
SECTION 35: NW/4

- c) EXTEND the South Corbin-Queen Pool to include therein:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM
SECTION 34: N/2

- d) EXTEND the Jenkins-Cisco Pool to include therein:

TOWNSHIP 9 SOUTH, RANGE 34 EAST, NMPM
SECTION 25: NW/4

- e) EXTEND the Justis-Blinebry Pool to include therein:

TOWNSHIP 24 SOUTH, RANGE 37 EAST, NMPM
SECTION 26: SW/4

- f) EXTEND the Morton-Lower Wolfcamp Pool to include therein:

TOWNSHIP 15 SOUTH, RANGE 34 EAST, NMPM
SECTION 12: SE/4

- g) EXTEND the Querecho Plains-Pennsylvanian Pool to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
SECTION 15: SW/4
SECTION 22: NW/4

- h) EXTEND the Scarborough-Yates-Seven Rivers Pool to include therein:

TOWNSHIP 26 SOUTH, RANGE 37 EAST, NMPM
SECTION 30: SW/4

- i) EXTEND the Indian Basin-Upper Pennsylvanian Gas Pool to include therein:

TOWNSHIP 21 SOUTH, RANGE 23 EAST, NMPM
SECTION 29: All
SECTION 32: All

- j) CONTRACT the Red Lake Pool by the deletion therefrom of the following lands:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM
SECTION 31: SE/4 NE/4 and E/2 SE/4

APRIL 13, 1966, REGULAR HEARING

k) EXTEND the Artesia Pool to include the lands deleted from the Red Lake Pool in Paragraph (j) above.

l) EXTEND the Linda-San Andres Pool to include therein:

TOWNSHIP 7 SOUTH, RANGE 26 EAST, NMPM
SECTION 8: N/2 NE/4

CASE 3393: Northwestern New Mexico nomenclature case calling for an order for the abolishment, creation and extension of certain pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

a) ABOLISH the Rattlesnake-Pennsylvanian "B" Gas Pool which comprises the following-described area:

TOWNSHIP 29 NORTH, RANGE 19 WEST, NMPM
SECTION 2: S/2
SECTION 11: N/2

b) ABOLISH the Rattlesnake-Pennsylvanian "CD" Oil Pool which comprises the following-described area:

TOWNSHIP 29 NORTH, RANGE 18 WEST, NMPM
SECTION 18: S/2 NW/4 and SW/4
SECTION 19: N/2 NW/4 and W/2 NE/4

TOWNSHIP 29 NORTH, RANGE 19 WEST, NMPM
SECTION 1: SW/4
SECTION 2: E/2 and E/2 SW/4
SECTION 11: E/2 NW/4 and NE/4
SECTION 12: NW/4, E/2 SW/4 and SE/4
SECTION 13: NE/4

c) CREATE the Rattlesnake-Pennsylvanian "BCD" Oil Pool with vertical limits being from 6404 feet to 6827 feet on the log of the Continental Oil Company Rattlesnake Well No. 136, located in Unit J of Section 2, Township 29 North, Range 19 West, San Juan County, New Mexico, and with horizontal limits described as follows:

TOWNSHIP 29 NORTH, RANGE 19 WEST, NMPM
SECTION 2: S/2
SECTION 11: N/2
SECTION 12: All

d) EXTEND the Ballard-Pictured Cliffs Pool to include therein:

TOWNSHIP 24 NORTH, RANGE 6 WEST, NMPM
SECTION 17: NW/4
SECTION 18: NE/4

e) EXTEND the South Blanco-Pictured Cliffs Pool to include therein:

TOWNSHIP 23 NORTH, RANGE 2 WEST, NMPM
SECTION 14: SW/4
SECTION 15: W/2 and SE/4
SECTION 22: NE/4
SECTION 23: S/2

APRIL 13, 1966, REGULAR HEARING

TOWNSHIP 25 NORTH, RANGE 4 WEST, NMPM
SECTION 1: SE/4
SECTION 2: SE/4

TOWNSHIP 26 NORTH, RANGE 5 WEST, NMPM
SECTION 3: SW/4
SECTION 10: N/2 and SE/4

f) EXTEND the Blanco-Mesaverde Pool to include therein:

TOWNSHIP 26 NORTH, RANGE 5 WEST, NMPM
SECTION 10: E/2

TOWNSHIP 26 NORTH, RANGE 6 WEST, NMPM
SECTION 17: A11
SECTION 18: A11
SECTION 20: N/2
SECTION 21: N/2

TOWNSHIP 26 NORTH, RANGE 7 WEST, NMPM
SECTION 13: S/2

TOWNSHIP 27 NORTH, RANGE 9 WEST, NMPM
SECTION 26: W/2

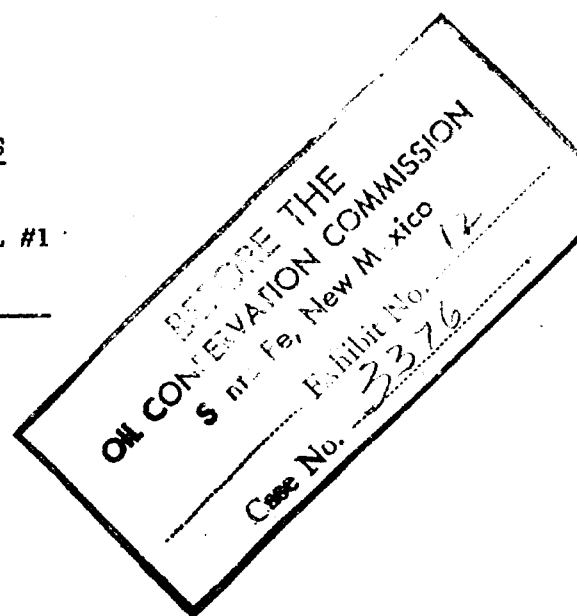
g) EXTEND the South Blanco-Tocito Oil Pool to include therein:

TOWNSHIP 26 NORTH, RANGE 5 WEST, NMPM
SECTION 18: SE/4
SECTION 19: NE/4
SECTION 20: N/2

CALCULATION OF OIL RESERVES

PAN-AMERICAN - GREENWOOD WELL #1

UNIT B - SEC. 7-19S-32E



DATA

Net Pay Thickness - - 12 Feet
Average Porosity - - 5.14%
Water Saturation - - 30%
Recovery Factor - - - .50 of oil in place
FVF - - - - - 2.25

Recoverable Oil, R

$$= \frac{7758 \times .0514 \times .70 \times .50}{2.25} = 62 \text{ bbls./ac.ft.}$$

or 744 bbls./ac.

Recovery from 40 acres - - - 29,760 bbls.

Recovery from 160 acres - - 119,040 bbls.

Oil Production to Jan. 1, 1966 - 133,615 bbls.

Estimated Future Oil Recovery, N

Assume 50 percent decline/year

Decline to 200 bbls. per month

Decline Factor = 5.65

$$N = \frac{7,000 - 200}{5.65 \times 10^{-2}} = 120,354 \text{ bbls.}$$

Estimated Actual Ultimate Recovery = 253,969 bbls.

Exhibit ¹²~~21~~

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

Exhibit No. 11
Case No. 3376

PAN AMERICAN - GREENWOOD WELL #1 Case No.

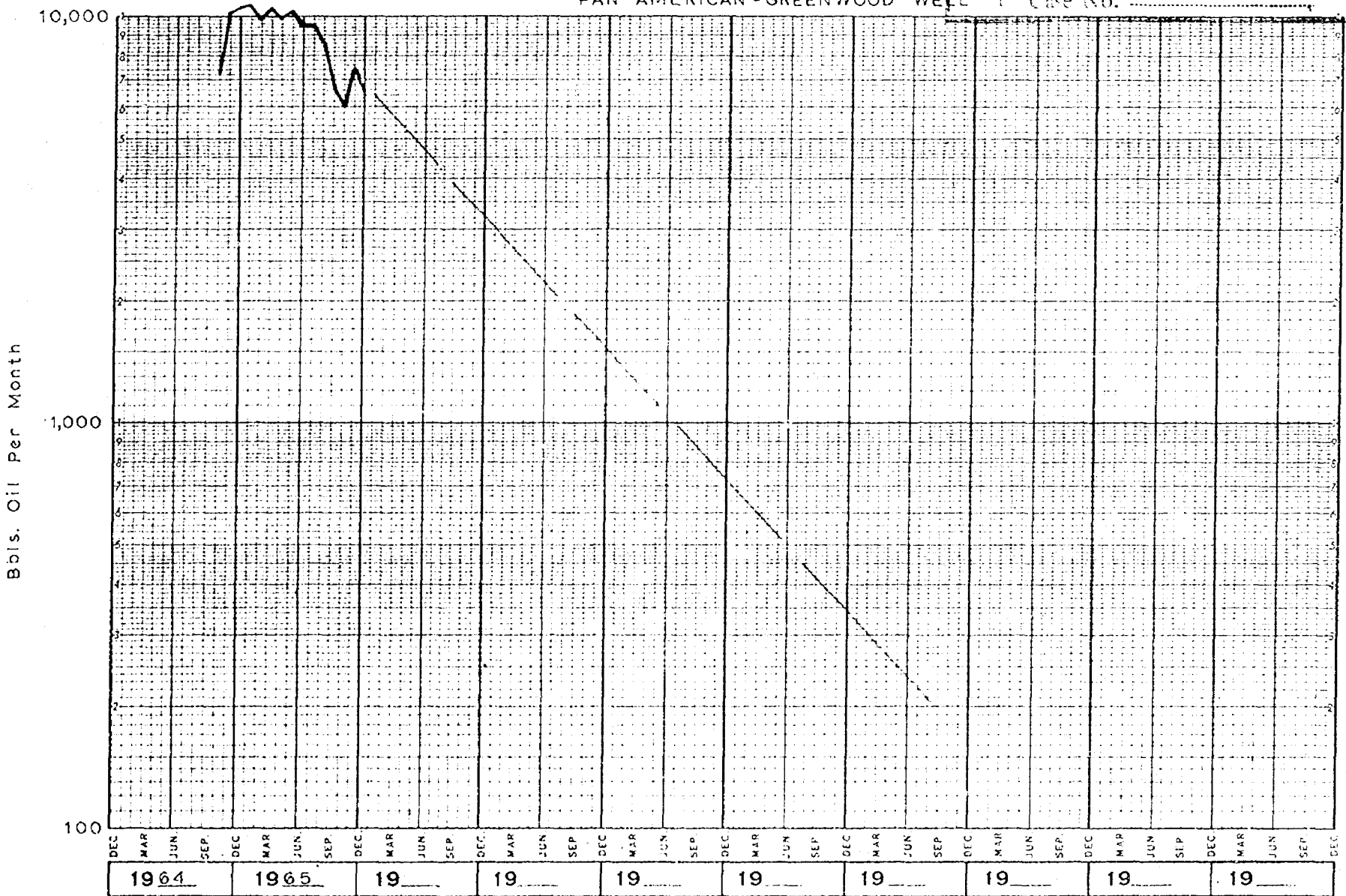


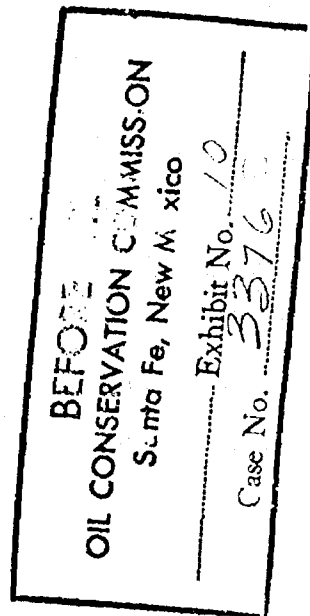
Exhibit 11

OIL AND GAS PRODUCTION

PAN-AMERICAN PETROLEUM CORPORATION

GREENWOOD #1

	<u>OIL</u>	<u>GAS</u>
1964 - Oct.	7,234	14,272
Nov.	10,062	22,123
Dec.	<u>10,581</u>	<u>19,232</u>
	27,877	55,627
1965 - Jan.	10,857	23,745
Feb.	9,800	12,348
Mar.	10,566	19,210
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Oct.	6,029	11,002
Nov.	7,492	14,305
Dec.	<u>6,595</u>	<u>15,195</u>
	105,738	196,783
Cumulative	133,615	



PAN AMERICAN PETROLEUM CORPORATION

OIL AND GAS BUILDING

P. O. BOX 1410

FORT WORTH, TEXAS--76101

JAMES K. SMITH
DIVISION ATTORNEY

March 24, 1965

New Mexico
Lea County
Lease No. 109258
USA-T. E. Brown
LC-071856-B
Lease No. 212056
Greenwood Pre-Grayburg
Operating AreaPan American Petroleum Corporation
Fort Worth, TexasDIVISION ORDER TITLE OPINIONRe: Township 19 South, Range 32 East, N.M.P.M., Lea
County, New Mexico
Section 7: NE/4

Reference is made to Supplemental Title Opinion dated August 14, 1964, prepared by the undersigned, covering the land described in the caption hereof, and other lands not here under examination. This opinion is based thereon and upon examination of the following:

ABSTRACTS:

1. Supplemental Abstract No. 17,711 by Federal Abstract Company covering the NE/4 Section 7, T-19-S, R-32-E, N.M.P.M., Lea County, New Mexico, as reflected in the records of the United States Land Office, Santa Fe, New Mexico, certified from August 3, 1964, at 10:00 a.m. to January 22, 1965, at 10:00 a.m.

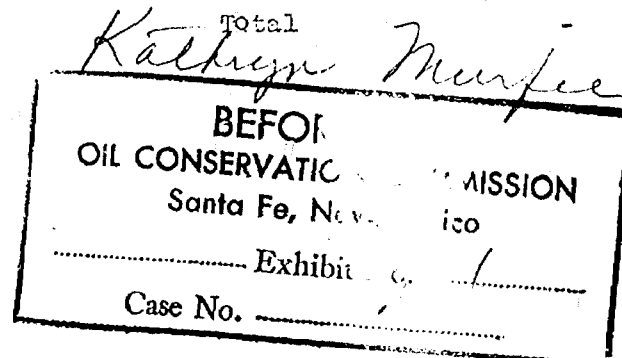
- 11 pages

2. Supplemental Abstract No. 1-2165-A by Lovington Abstract Company, Inc., covering the NE/4 Section 7, T-19-S, R-32-E, N.M.P.M., as reflected in the records of Lea County, New Mexico, from August 3, 1964, at 8:00 a.m. to January 21, 1965, at 8:00 a.m.

- 12 pages

Total

- 23 pages



March 24, 1965

SEE SIMPLE TITLE VESTED AS FOLLOWS:MINERALS:

United States of America	-	All
--------------------------	---	-----

ROYALTY:

United States of America	-	12 $\frac{1}{2}$ %
--------------------------	---	--------------------

LEASEHOLD:

Continental Oil Company	-	87 $\frac{1}{2}$ % W.I. *
-------------------------	---	---------------------------

* Subject to an overriding royalty interest of 5% owned as follows:

E/2 NE/4 Section 7:

T. E. Brown, Jr.	-	1/2 of 5%
Claudyne Brown	-	1/2 of 5%

W/2 NE/4 Section 7:

Paul Terry	-	1/8 of 5%
W. N. Price	-	17/32 of 5%
T. E. Brown, Jr.	-	3/32 of 5%
Claudyne Brown	-	3/32 of 5%
Bertie Noland Price	-	5/64 of 5%
Estate of L. M. Price, deceased	-	5/64 of 5%

REQUIREMENTS:

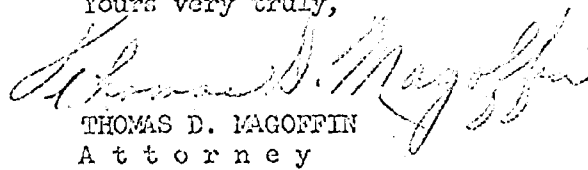
1. Mandatory. As an aid in determining the ownership of the overriding royalty interest attributable herein to the Estate of L. M. Price, deceased, probate proceedings in the estate of said decedent should be secured and furnished for examination. If said decedent died intestate and there were no administration proceedings on his estate, then an heirship affidavit should be furnished. In addition, proof should be furnished that all debts and claims of said decedent's estate, including State of Texas Inheritance and Federal Estate taxes, have been paid.

Subject to the foregoing requirement, the title to captioned land, as reflected herein, is hereby approved for Division Order purposes.

March 24, 1965

The abstracts, together with the lease file, contract file and unit file furnished for use in preparation of this opinion are herewith returned.

Yours very truly,

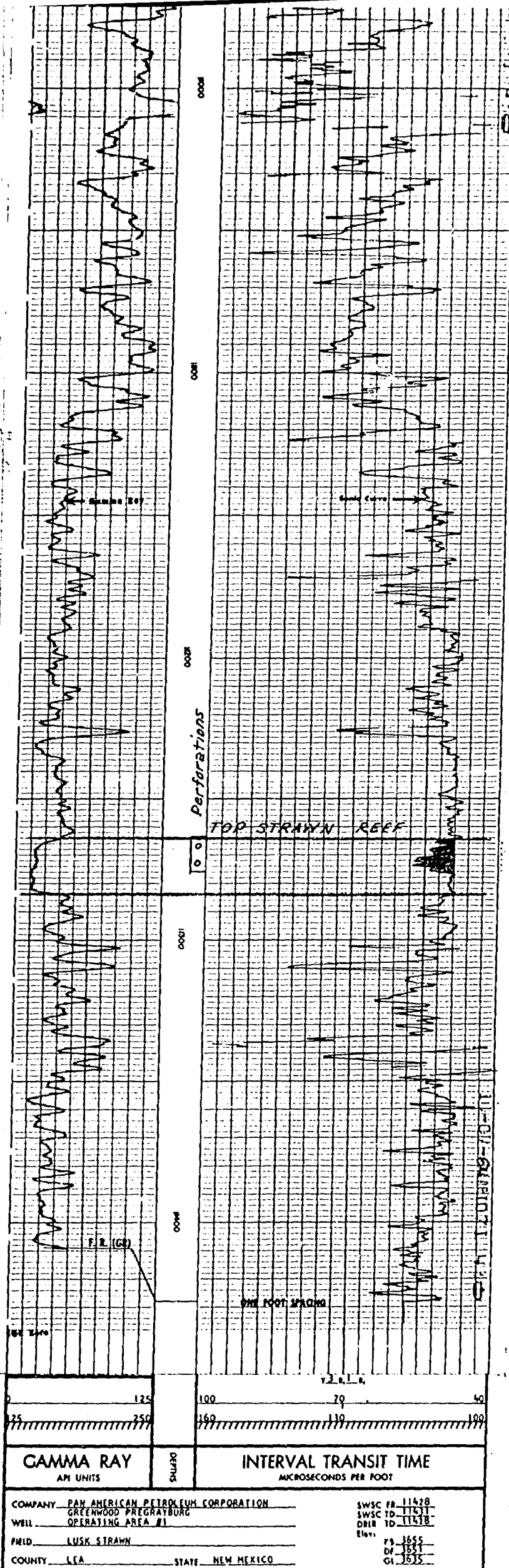

THOMAS D. MAGOFFIN
A t t o r n e y

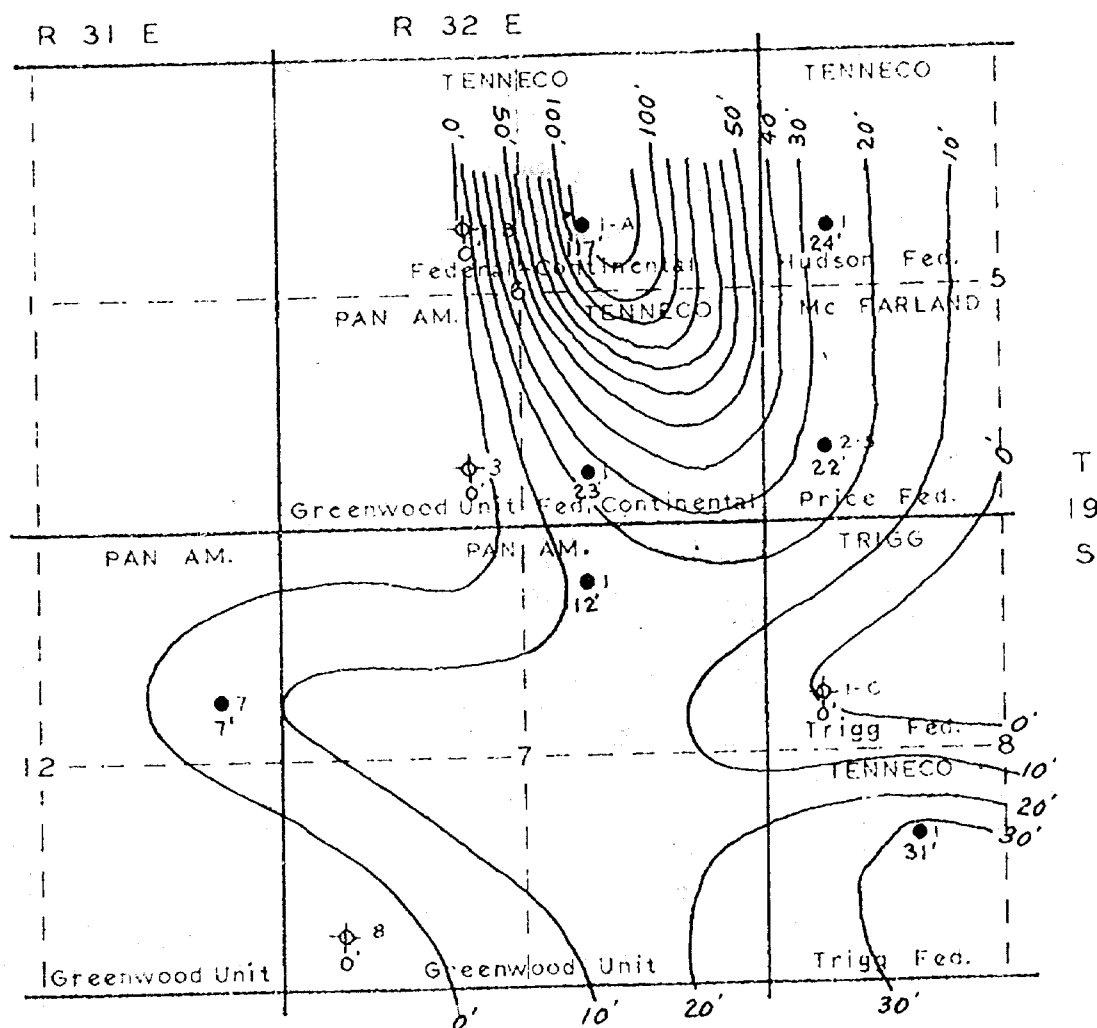
TDM:ca

Attachments

cc: Mr. P. B. Abbey

BEFORE ME
OIL CONSERVATION COMMISSION
S Rio Fe, New M xico
Case No. 3376
Exhibit No. 9





BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

Exhibit No. 8
Case No. 3376

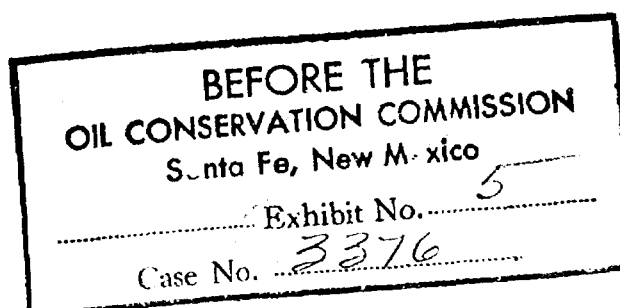
PORTION OF LUSK STRAWN POOL

NET PAY THICKNESS

SCALE: 1" = 2000'

RALPH L. GRAY
PETROLEUM ENGINEERING

Exhibit 8



Page No. 4
Inventory

11. One-half (1/2) of an overriding royalty interest of 5/16ths of 5%, upon a Government oil and gas lease covering the following described lands, to wit:

Township 19 South, Range 32 East, N.M.P.M.

Section 6: $W\frac{1}{2}NW\frac{1}{4}$ and $W\frac{1}{2}SE\frac{1}{4}$

Section 7: $W\frac{1}{2}NE\frac{1}{4}$.

(Said overriding royalty interest is of record in the name of W. N. Price, son of the decedent, but said 1/2 interest is held by W. N. Price in his name, as the property of L. M. Price.)

12. An undivided 1/8th interest in Government lease N.M. 02770 covering the following described lands, to wit:

Township 18 South, Range 32 East, N.M.P.M.

Section 30: Lot 4 and $SE\frac{1}{4}SW\frac{1}{4}$.

Containing 81.11 acres, more or less.

(Said lease is in the name of G. Kelley Stout, but decedent is the owner of an undivided 1/8th interest therein, which said interest is held by G. Kelley Stout in his name but is the property of L. M. Price.)

PROPERTIES IN EDDY COUNTY, NEW MEXICO:

13. An undivided one-third (1/3rd) interest in State of New Mexico Oil and Gas Lease E-4405 covering the following described lands, to wit:

Township 19 South, Range 29 East, N.M.P.M.

Section 13: $N\frac{1}{2}NE\frac{1}{4}$.

(W. N. Price, son of the decedent, is the record owner of said lease, and a 1/3rd interest therein is the property of L. M. Price but held in the name of W. N. Price.)

14. An undivided one-third (1/3rd) interest in State of New Mexico Oil and Gas Lease E-5080 covering the following described lands, to wit:

Township 19 South, Range 29 East, N.M.P.M.

Section 21: $N\frac{1}{2}NE\frac{1}{4}$.

(W. N. Price, son of the decedent, is the record owner of said lease, and a 1/3rd interest therein is the property of L. M. Price but held in the name of W. N. Price.)

ABSTRACTER'S CERTIFICATE

STATE OF NEW MEXICO)
COUNTY OF LEA) SS

The Lovington Abstract Company, a New Mexico Corporation, hereby certifies that the foregoing is a true and correct copy of Page No. 4 of the Inventory taken from Probate Case No. 1503, entitled "In The Matter of the Last Will and Testament and Estate of L. M. Price, Deceased", which was omitted from our Abstract No. 3-2966 covering the following described land in Lea County, New Mexico, to-wit:

Northeast Quarter (NE $\frac{1}{4}$) Section Seven (7), Township
Nineteen South (19S), Range Thirty-two East (32E),
N.M.P.M.

as the same appears on record in the office of the County Clerk, Lea County, New Mexico.

Witness the signature of said Company, signed by its duly authorized officer and its corporate seal hereon impressed this 7th day of April, 1966 at eight o'clock A.M.

LOVINGTON ABSTRACT COMPANY

By: *Rana Nagara*
Ass't Secretary

6

Title summary on 5% overriding royalty under E $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 7 and 5% overriding royalty under W $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 7, all in Township 19 South, Range 32 East, N.M.P.M. (prepared from Abstract No. 3-2966, of Lovington Abstract Company, and certified copy of Page No. 4 of Inventory taken from Probate Case No. 1503, "In the Matter of the Last Will and Testament and Estate of L. M. Price, Deceased", certified by Certificate dated April 7, 1966 at 8:00 A.M. Recording references are to the Records of Lea County, New Mexico.)

E $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 7, Township 19 South,
Range 32 East, N.M.P.M.

1. United States Oil and Gas Lease Las Cruces 071856 issued October 1, 1950 to T. E. Brown. (Oil and Gas Book 112, Page 338).
2. Assignment of Oil and Gas Lease dated May 21, 1954 from T. E. Brown, et ux, to Charles B. Read, reserving 5% overriding royalty to Brown. (Oil and Gas Book 233, Page 1).
3. Assignment of Overriding Royalty dated June 23, 1954 from T. E. Brown, et ux, to T. E. Brown, Jr., 1/2 of 5%, and Claudyne Brown Thorp, 1/2 of 5%. (Miscellaneous Book 89, Page 272).

Summary: T. E. Brown, Jr. - 1/2 of 5% Overriding royalty
Claudyne Brown Thorp - 1/2 of 5% Overriding royalty.

W $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 7, Township 19 South,
Range 32 East, N.M.P.M.

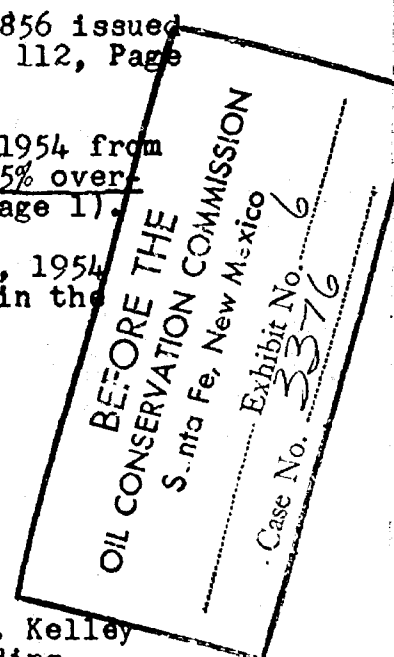
1. United States Oil and Gas Lease Las Cruces 071856 issued October 1, 1950 to T. E. Brown. (Oil and Gas Book 112, Page 338).
2. Assignment of Oil and Gas Lease dated May 21, 1954 from T. E. Brown, et ux, to Charles B. Read, reserving 5% overriding royalty to Brown. (Oil and Gas Book 233, Page 1).
3. Assignment of Overriding Royalty dated June 23, 1954 from T. E. Brown, et ux, to the following persons in the following proportions, to wit:

G. Kelley Stout	6/16ths of 5%
W. N. Price	5/16ths of 5%
Paul Terry	1/8th of 5%
T. E. Brown, Jr.	3/32nds of 5%
Claudyne Brown Thorp	3/32nds of 5%

(Miscellaneous Book 94, Page 135).

4. Royalty Assignment dated August 1, 1963 from G. Kelley Stout to W. N. Price, covering 3/8ths of 5% overriding royalty interest. (Miscellaneous Book 203, Page 325).

5. Estate of L. M. Price, deceased, was administered in Case No. 1503 in the Probate Court of Lea County, New Mexico. The Inventory claimed that 1/2 of 5/16ths of 5% overriding royalty (under the subject lands) was held of record in the name of W. N. Price, son of L. M. Price, but that the same actually belonged to L. M. Price. By Final Decree, the property of L. M. Price was determined to descend and vest in Kathryn Price Murfee, as guardian of Bertie Noland Price, an incompetent person. Bertie Noland Price was the widow of L. M. Price, and L. M. Price's Last Will and Testament devised all property to her. Bertie Noland Price was declared incompetent in Case No. 22407 in the District Court of Eddy County, State of New Mexico.



6. W. N. Price is deceased, and his estate is being administered in Case No. 2577 in the Probate Court of Lea County, New Mexico. An Order was entered December 1, 1965 determining that his heirs are as follows:

Dorothy W. Price	Wife
Patricia Rhea Price Roberson	Daughter
Kathryn Jeanne Price Whittenburg	Daughter
Lelah Antionette Price Coyle	Daughter
William Leslie Price	Son

7. Dorothy R. Price (one and the same person as Dorothy W. Price), the surviving widow of W. N. Price, is now deceased, and her estate is being administered in Case No. 2611 in the Probate Court of Lea County, New Mexico. An Order was entered December 1, 1965 determining her heirs to be as follows:

W. W. Wellman	father
Elsie Wellman	mother

<u>Summary:</u> T. E. Brown, Jr.	-	3/32 of 5%
Claudyne Brown Thorp	-	3/32 of 5%
Paul Terry		1/8 of 5%
W. N. Price at the time of his death		22/32 of 5% (*) (**)

(*) Subject to claim of L. M. Price, now Kathryn Price Murfee, as guardian of Bertie Noland Price, an incompetent person, that 1/2 of 5/16 of 5%, or 10/64 of 5%, was held in the name of W. N. Price for the benefit of L. M. Price, etc.

(**) Heirs of W. N. Price are:

Patricia Rhea Price Roberson	Daughter
Kathryn Jeanne Price Whittenburg	Daughter
Lelah Antionette Price Coyle	Daughter
William Leslie Price	Son
Dorothy W. Price (Deceased)	Wife

Heirs of Dorothy W. Price are:

W. W. Wellman	Father
Elsie Wellman	Mother

BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

IN RE. APPLICATION OF T. E. BROWN, JR. AND
CLAUDYNE BROWN THORP FOR AN ORDER OF THE
NEW MEXICO OIL CONSERVATION COMMISSION
POOLING THE OIL AND GAS MINERAL INTERESTS
AS TO THE LUSK STRAWN OIL POOL UNDERLYING
LANDS DESCRIBED AS NE $\frac{1}{4}$ OF SECTION 7, TOWNSHIP
19 SOUTH, RANGE 32 EAST, N.M.P.M., LEA COUNTY,
NEW MEXICO, EFFECTIVE AS OF THE DATE OF FIRST
PRODUCTION THEREFROM.

Case No. 3376

AFFIDAVIT WITH REFERENCE TO SERVICE OF PROCESS

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

Fred A. Watson, being first duly sworn upon oath,
states:

That he is one of the attorneys for T. E. Brown, Jr.
and Claudyne Brown Thorp, applicants in the above styled and
numbered case.

That service of the Application filed in this case and
the Notice of Publication issued in the name of the State of
New Mexico by its Oil Conservation Commission, by A. L. Porter, Jr.,
Secretary-Director of said Commission, said Notice setting forth
that hearing in this case would be held at 9:00 A.M. on April 13,
1966 at The Inn Motor Hotel, Convention Center, 200 South Linam,
Hobbs, New Mexico, was made upon all interested parties in the
following manner, to wit:

1. That the aforesaid Notice of Publication was published
once each week on the same day of the week for four consecutive weeks,
beginning with the issue of February 22, 1966 and ending with the
issue of March 15, 1966, in the Lovington Leader, a daily newspaper
of general circulation in Lea County, New Mexico, as will appear
from the Affidavit of Publication attached hereto, marked Exhibit "A",
and made a part hereof.

2. That a copy of the aforesaid Application and a copy
of the aforesaid Notice of Publication were served upon the following
foreign corporations qualified to do business in New Mexico by personal
service thereof upon the following respective statutory agents, to wit:

Foreign Corporation

Statutory Agent

Pan American Petroleum Corporation

The Corporation Company

Continental Oil Company

The Corporation Company

Shell Oil Company

The Corporation Company

Cities Service Oil Company

John C. Watson

That there are attached hereto, marked respectively Exhibits "B" and
"B-1", and made a part hereof a letter dated January 31, 1966 from
the Corporation Department, State Corporation Commission for the
State of New Mexico, addressed to Watson & Watson, Attorneys at Law,
Artesia, New Mexico, advising that the above foreign corporations
have appointed the above statutory agents, and the Affidavit of Service

of Deputy Sheriff Arthur Garcia reflecting service of copies of the aforesaid Application and the aforesaid Notice of Publication upon said statutory agents on February 14 and 15, 1966.

3. That copies of the aforesaid Application and the aforesaid Notice of Publication were served upon Alberta Miller, Secretary of State of the State of New Mexico, as the designated agent for service of process upon (a) O. H. Oquin, Administrator of the Estate of William Noland Price, also known as William N. Price, also known as W. N. Price, deceased, and (b) Chase Manhattan Bank, Chase Manhattan Plaza, New York, New York; and there are attached hereto, marked respectively Exhibits "C", "C-1" and "C-2", and made a part hereof a letter dated March 4, 1966 from the Office of the Secretary of State of the State of New Mexico, addressed to Fred A. Watson, advising that O. H. O'quin filed an Affidavit designating the Secretary of State of New Mexico as agent for service of process in connection with any suits and actions commenced against him as Administrator of the Estate of William Noland Price; a letter dated January 31, 1966 from the Office of the Secretary of State of the State of New Mexico, addressed to Fred A. Watson, advising that Chase Manhattan Bank, New York has designated the Secretary of State of New Mexico as lawful agent to accept service of process in the State of New Mexico; and Affidavit of Service of Robert Dominguez reflecting service of copies of the aforesaid Application and the aforesaid Notice of Publication upon the Secretary of State of the State of New Mexico as designated agent for such parties on March 7, 1966.

4. That Paul Terry, a resident of Artesia, Eddy County, New Mexico, and Julia S. Terry, his wife, acting by Sanders Terry, their attorney-in-fact, have waived service of the aforesaid Application and the aforesaid Notice of Publication and have entered their appearance for the hearing to be held in this case, reserving, however, the right to plead to, respond to, object to or otherwise contest the Application filed herein, either before or at the time of hearing by the New Mexico Oil Conservation Commission. There are attached hereto, marked respectively Exhibits "D" and "D-1", and made a part hereof a copy, certified under date of August 27, 1965 by the County Clerk of Lea County, New Mexico, of a general Power of Attorney dated June 15, 1961 from Paul Terry and Julia S. Terry, his wife, to Sanders Terry, attorney-in-fact, as recorded in Book 186, Page 286, of the Miscellaneous Records of Lea County, New Mexico, and the executed and acknowledged Waiver of Service and Entry of Appearance dated March 23, 1966 with reference to this case by Paul Terry and Julia S. Terry, his wife, by Sanders Terry, their attorney-in-fact.

5. That a copy of the aforesaid Application and the aforesaid Notice of Publication were furnished to United States Geological Survey, Roswell, New Mexico office, and there is attached hereto, marked Exhibit "E", and made a part hereof letter dated March 11, 1966 from John A. Anderson, Regional Oil & Gas Supervisor, United States Geological Survey, Roswell, New Mexico, addressed to Watson & Watson, Attorneys at Law, Artesia, New Mexico, advising that the United States Geological Survey has no objection to the force pooling order.

6. That the remaining non-resident parties in interest, shown in the Application filed in this case, were served with Notice of the hearing to be held in this case by publication of the aforesaid Notice of Publication for four consecutive weeks, as set forth under Paragraph No. 1 hereinabove, and by mailing to their last addresses known to applicants, as will appear from the Affidavit of Mailing attached hereto, marked Exhibit "F", and made a part hereof.

Further affiant saith not.


Fred A. Watson

Page No. 3

SUBSCRIBED AND SWORN to before me this 6th day of
April, 1966.

My Commission Expires:

Oct. 8, 1966

Lela Elliott
Notary Public

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

The foregoing instrument was acknowledged before me this 6th
day of April, 1966, by Fred A. Watson.

My Commission Expires:

Oct. 8, 1966

Lela Elliott
Notary Public

LEGAL NOTICE

NOTICE OF PUBLICATION
STATE OF NEW MEXICO
OIL CONSERVATION
COMMISSION
SANTA FE — NEW MEXICO

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 at 9 o'clock a.m. on APRIL 13, 1966, THE INN MOTOR HOTEL, CONVENTION CENTER, 200 SOUTH LINAM, HOBBS, NEW MEXICO.

STATE OF NEW MEXICO
TO:

All named parties and persons having any right, title, interest or claim in the following case, and notice to the public.

(Note: All land descriptions herein refer to the New Mexico Principal Meridian, whether or not so stated.)

CASE 3376

Application of T. E. Brown, Jr. and Claudyne Brown Thorp for compulsory pooling, Lea County, New Mexico.

Applicants, in the above-styled cause, seek an order pooling all oil and gas mineral interests in the Lusk-Strawn Pool underlying the NE $\frac{1}{4}$ of Section 7, Township 19 South, Range 32 East, Lea County, New Mexico. Said order to be effective the date of first production from said land and pool.

GIVEN under the seal of the New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 28th day of January, 1966.

STATE OF NEW MEXICO
OIL CONSERVATION
COMMISSION
s/A. L. Porter Jr.
A. L. PORTER, Jr.,
Secretary-Director

(SEAL)

Published in the Lovington Daily Leader, February 22, March 1, 8, and 15, 1966.

Affidavit of Publication

STATE OF NEW MEXICO)
) ss
COUNTY OF LEA)

Claude Porter being first duly sworn on oath
deposes and says that he is **Adv. Director** of
THE LOVINGTON LEADER, a daily newspaper of
general paid circulation published in the English
language at Lovington, Lea County New Mexico; that
said newspaper has been so published in such county
continuously and uninterruptedly for a period in excess
of Twenty-six (26) consecutive weeks next prior to the
first publication of the notice hereto attached, as here-
inafter shown; and that said newspaper is in all things
duly qualified to publish legal notices within the mean-
ing of Chapter 167 of the 1937 Session Laws of the
State of New Mexico.

That the notice which is hereto attached, entitled

Notice of Publication State of N.M.
Oil Conservation Commission

and numbered in the

..... Court of Lea
County, New Mexico, was published in a regular and
entire issue of THE LOVINGTON LEADER and not in
any supplement thereof, once each week on the same

day of the week, for four
consecutive weeks, beginning with the issue of
February 22, 1966

and ending with the issue of
March 15, 1966

And that the cost of publishing said notice is the
sum of \$ 37.82

which sum has been (Paid) (Assessed) as Court Costs

Claude W. Porter

Subscribed and sworn to before me this 15

day of March, 1966

Burgis A. Matthews
Notary Public, Lea County, New Mexico

My Commission Expires January 20, 1969

MURRAY E. MORGAN, CHAIRMAN
COLUMBUS FERGUSON, COMMISSIONER
FLOYD CROSS, COMMISSIONER

State of New Mexico
State Corporation Commission
Corporation Department

BARNEY CRUZ JR.
DIRECTOR

EXHIBIT "P"



Santa Fe
87501

January 31, 1966

Watson & Watson
Attorneys At Law
P. O. Drawer E
Artesia, New Mexico 88210

Dear Mr. Watson:

We are in receipt of your letter dated January 27, 1966 requesting the names and addresses of the statutory agents as follows:

Pan American Petroleum Corporation- The Corporation Company
P. O. Box 787
Santa Fe, New Mexico

Continental Oil Company - same as above.

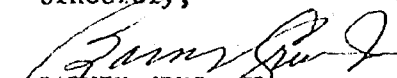
Shell Oil Company - same as above

Cities Service Oil Company - John C. Watson
50 Sena Plaza
Santa Fe, New Mexico

Be advised that our records do not show a Tern Oil Company nor The Chase National Bank of New York registered as a corporation in New Mexico.

If we can be of further assistance do not hesitate to call on us.

Sincerely,


BARNEY CRUZ, JR.

BCJR/cl

EXHIBIT "B-1"

BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

IN RE. APPLICATION OF T. E. BROWN, JR. AND
CLAUDYNE BROWN THORP FOR AN ORDER OF THE
NEW MEXICO OIL CONSERVATION COMMISSION
POOLING THE OIL AND GAS MINERAL INTERESTS
AS TO THE LUSK STRAWN OIL POOL, UNDERLYING
LANDS DESCRIBED AS NE $\frac{1}{4}$ OF SECTION 7, TOWNSHIP
19 SOUTH, RANGE 32 EAST, N.M.P.M., LEA COUNTY,
NEW MEXICO, EFFECTIVE AS OF THE DATE OF FIRST
PRODUCTION THEREFROM.

Case No. 3376

AFFIDAVIT OF SERVICE

STATE OF NEW MEXICO)
COUNTY OF SANTA FE) ss.

DEPUTY SHERIFF ARTHUR GARCIA, being by me
first duly sworn, upon his oath, deposes and says:

That he is a resident of the State of New Mexico, over the
age of 18 years and in no wise interested in Case No. 3376 before the
New Mexico Oil Conservation Commission, Santa Fe, New Mexico, being
an Application of T. E. Brown, Jr. and Claudyne Brown Thorp for
compulsory pooling, as more particularly described hereinabove; that
he is not a party to said proceeding; that 3 signed copies of a Notice
of Publication concerning said case, issued the 28th day of January,
1966 in the name of the State of New Mexico, by the Oil Conservation
Commission by A. L. Porter, Jr., Secretary-Director, and 3 copies of
the Application filed in said case were delivered to him on the 12th.
day of FEBRUARY, 1966; and that he made service as follows:

Upon Pan American Petroleum Corporation by serving
a copy of said Notice of Publication and said
Application upon The Corporation Company, statutory
agent in New Mexico for the said Pan American
Petroleum Corporation, on the 14th. day of
FEBRUARY, 1966.

Upon Continental Oil Company by serving a copy of
said Notice of Publication and said Application
upon The Corporation Company, statutory agent in
New Mexico for the said Continental Oil Company,
on the 14th. day of FEBRUARY, 1966.

Upon Shell Oil Company by serving a copy of said
Notice of Publication and said Application upon
The Corporation Company, statutory agent in
New Mexico for the said Shell Oil Company, on
the 14th. day of FEBRUARY, 1966.

Upon Cities Service Oil Company by serving a copy
of said Notice of Publication and said Application
upon John C. Watson, statutory agent in New Mexico
for the said Cities Service Oil Company, on the
15th. day of FEBRUARY, 1966.

Further affiant saith not.

Arthur Garcia

SUBSCRIBED AND SWORN to before me this 16th day of
February, 1966.

My Commission Expires:

3/4/68

Edwardo Escudé
Notary Public

FEES: SERVICE & RETURN \$12.00 NOTARY .50 TOTAL \$12.50

State of New Mexico
Department of State
Office of the Secretary of State

EXHIBIT "C"

ALBERTA MILLER
SECRETARY OF STATE



Santa Fe

March 4, 1966

Mr. Fred A. Watson
Watson & Watson
Carper Building
Artesia, New Mexico

Dear Mr. Watson:

In response to your inquiry of March 2, Mr. O. H. Oquin has filed an affidavit in this office designating the Secretary of State of New Mexico as agent for service of process in connection with any suits and actions that may be commenced against him as Administrator of the Estate of William Noland Price.

Please do not hesitate to call on me if I can be of further assistance.

Sincerely,

Alberta Miller

ALBERTA MILLER
SECRETARY OF STATE

AM/dm

State of New Mexico
Department of State
Office of the Secretary of State



Santa Fe

EXHIBIT "C-1"

ALBERTA MILLER
SECRETARY OF STATE

January 31, 1966

Mr. Fred A. Watson
WATSON & WATSON
Attorneys at Law
P. O. Drawer E
Artesia, New Mexico

Dear Mr. Watson:

Records in this office indicate that the Chase Manhattan Bank, New York has designated the Secretary of State as their lawful agent to accept service of process in the State of New Mexico; as provided by Section 51-1-4 (b) of the New Mexico Statutes Annotated, 1953 Compilation.

Chase Manhattan Plaza, New York has not designated the Secretary of State as their agent to accept service of process in the State of New Mexico.

If I can be of further service, do not hesitate to call on me.

Sincerely,

Alberta Miller

ALBERTA MILLER
SECRETARY OF STATE

AM/mag

MAR 1 1966

EXHIBIT "C-2"

BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

IN RE. APPLICATION OF T. E. BROWN, JR. AND
CLAUDYNE BROWN THORP FOR AN ORDER OF THE
NEW MEXICO OIL CONSERVATION COMMISSION
POOLING THE OIL AND GAS MINERAL INTERESTS
AS TO THE LUSK STRAWN OIL POOL UNDERLYING
LANDS DESCRIBED AS NE $\frac{1}{4}$ OF SECTION 7, TOWNSHIP
19 SOUTH, RANGE 32 EAST, N.M.P.M., LEA COUNTY,
NEW MEXICO, EFFECTIVE AS OF THE DATE OF FIRST
PRODUCTION THEREFROM.

Case No. 3376

AFFIDAVIT OF SERVICE

STATE OF NEW MEXICO)

COUNTY OF SANTA FE)

ss.

Robert Dominguez, being by me first
duly sworn, upon his oath, deposes and says:

That he is a resident of the State of New Mexico, over the
age of 18 years and in no wise interested in Case No. 3376 before the
New Mexico Oil Conservation Commission, Santa Fe, New Mexico, being
an Application of T. E. Brown, Jr. and Claudyne Brown Thorp for
compulsory pooling, as more particularly described hereinabove; that
he is not a party to said proceeding; that 2 signed copies of a Notice
of Publication concerning said case, issued the 28th day of January,
1966 in the name of the State of New Mexico, by the Oil Conservation
Commission by A. L. Porter, Jr., Secretary-Director, and 2 copies of
the Application filed in said case were delivered to him on the 4th
day of March, 1966; and that he made service as follows:

Upon O. H. Oquin, Administrator of the Estate of
William Noland Price, also known as William N.
Price, also known as W. N. Price, Deceased, by
serving a copy of said Notice of Publication and
said Application upon Alberta Miller, Secretary
of State of the State of New Mexico, on the 7th
day of March, 1966.

Upon Chase Manhattan Bank by serving a copy of
said Notice of Publication and said Application
upon Alberta Miller, Secretary of State of the
State of New Mexico, on the 7th day of
March, 1966.

Further affiant saith not.

Robert Dominguez

SUBSCRIBED AND SWORN to before me this 7th day of
March, 1966.

My Commission Expires:

3/4/68

Edmund Escudé
Notary Public

Sheriff's Fee \$5.00 PD

EXHIBIT "D"

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

That we, PAUL TERRY and JULIA S. TERRY, his wife, have made, constituted and appointed and, by these presents, do make, constitute and appoint

SANDERS TERRY,

of Artesia, New Mexico, our true and lawful attorney, for us and in our names, place and stead, to ask, demand, sue for, recover, collect and receive all sums of money, debts, dues, accounts and demands whatsoever as are now or shall hereafter become due, owing or payable to us, and either of us, and have, use and take all lawful means for the recovery thereof; also, to purchase for our account any and all farm equipment, farm supplies or material to carry on farming operations, and to sell any and all crops grown on our farms, and to deal in any manner with personal property, and to make and transact all and every kind of business for us; also, for us and in our names, to sign checks, drafts and other orders for the payment of any moneys upon any bank account, savings account, checking account and other accounts that we, or either of us, may have in any bank, Building and Loan Association or other financial institution, and to make deposits therein and to endorse checks, drafts and other orders for the payment of money to us, or either of us; to prepare, or cause to be prepared, income tax returns and other returns, and to sign our names or the name of either of us thereto, and to endorse checks and to draw checks, drafts and other orders for the payment of such taxes, and execute the same upon any bank accounts that either of us may have; to execute Division Orders and Transfer Orders with reference to any oil, gas or mineral interests that either of us may have, and to execute oil and gas leases on any mineral interests or royalty interests that we, or either of us, may have; and, generally, to manage and handle any and every transaction involving our business affairs or the operation of our farms, to the same extent that we, or either of us, might or could do personally.

GIVING AND GRANTING to our said attorney full power and authority to do and perform all and every act necessary or requisite to be done in and about the premises, as fully and to all intents and purposes as we, or either of us, could do if personally present, hereby ratifying and confirming all that our said attorney-in-fact may do for us, or either of us, by virtue of this Power of Attorney.

IN WITNESS WHEREOF, we have hereunto set our hands this 15th day of June, A.D., 1961.

Witness to mark of Paul Terry:

[Signature]
[Signature]

his
(X)
mark
(Paul Terry)
[Signature]
Julia S. Terry

STATE OF NEW MEXICO)
COUNTY OF EDDY) ss.

The foregoing instrument was acknowledged before me this 15th day of June, A.D., 1961, by Paul Terry and Julia S. Terry, his wife.

My Commission Expires:
Oct 8, 1962

[Signature]
Notary Public.

STATE OF NEW MEXICO, County of Eddy, ss. I hereby certify that this instrument was filed for record on the 19 day of June, 1961, at 2:30 o'clock A.M. and duly recorded in Book 5, Page of the Records of Paul Terry.

CERTIFIED TO BE A TRUE AND CORRECT
COPY OF THE ORIGINAL
CURRIER ABSTRACT COMPANY, (NSL)

Mildred Post, County Clerk
By *[Signature]* Deputy

BY *[Signature]*

CLERK'S CERTIFICATE
(Recorded Instruments)

STATE OF NEW MEXICO)
) ss.
COUNTY OF LEA)

I, Jane Rice, County Clerk for the County and State aforesaid, do hereby certify that the within and foregoing instrument of writing is a full, true and correct copy of that certain POWER OF ATTORNEY executed by and between Paul Terry et ux to Sanders Terry and duly recorded in Book 186 page 286 of the Miscellaneous Records of my said office.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this the 27th day of August, A. D., 1965.

Jane Rice

County Clerk

Donna Benge
Deputy

EXHIBIT "D-1"

BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

IN RE. APPLICATION OF T. E. BROWN, JR. AND
CLAUDYNE BROWN THORP FOR AN ORDER OF THE
NEW MEXICO OIL CONSERVATION COMMISSION
POOLING THE OIL AND GAS MINERAL INTERESTS
AS TO THE LUSK STRAWN OIL POOL UNDERLYING
LANDS DESCRIBED AS NE $\frac{1}{4}$ OF SECTION 7, TOWNSHIP
19 SOUTH, RANGE 32 EAST, N.M.P.M., LEA COUNTY,
NEW MEXICO, EFFECTIVE AS OF THE DATE OF FIRST
PRODUCTION THEREFROM.

Case No. 3376

WAIVER OF SERVICE
AND
ENTRY OF APPEARANCE

COME NOW Paul Terry and Julia S. Terry, his wife, by
their duly authorized attorney-in-fact Sanders Terry, and hereby
acknowledge receipt of a copy of the Application of T. E. Brown, Jr.
and Claudyne Brown Thorp in the above styled and numbered case before
the New Mexico Oil Conservation Commission, together with a copy
of the Notice of Publication issued in the name of the State of
New Mexico by the Oil Conservation Commission, by A. L. Porter, Jr.,
Secretary-Director, with reference to said case; and do hereby waive
service of said Application and said Notice of Publication, entering
their appearance for the hearing to be held in said case at 9:00 A.M.
on April 13, 1966 at The Inn Motor Hotel, Convention Center, 200
South Linam, Hobbs, New Mexico; not waiving, however, their right
to plead to, respond to, object to or otherwise contest said Application
either before or at said hearing.

DATED this 23rd day of March, 1966.

Paul Terry
Paul Terry

By

Sanders Terry
Sanders Terry,
Attorney-in-Fact.

Julia S. Terry
Julia S. Terry

By

Sanders Terry
Sanders Terry,
Attorney-in-Fact.

Page No. 2

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

The foregoing instrument was acknowledged before me this 23rd
day of March, 1966, by Sanders Terry, as attorney-in-fact on behalf of
Paul Terry.

My Commission Expires:

Oct. 8, 1966

Lela Elliott
Notary Public

* * * * *

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

The foregoing instrument was acknowledged before me this 23rd
day of March, 1966, by Sanders Terry, as attorney-in-fact on behalf of
Julia S. Terry.

My Commission Expires:

Oct. 8, 1966

Lela Elliott
Notary Public



IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Drawer 1857
Roswell, New Mexico 88201

EXHIBIT "E"

March 11, 1966

Watson & Watson
P. O. Drawer E
Artesia, New Mexico

Attention: Mr. Fred A. Watson

Gentlemen:

Your letter of March 7 transmits a copy of an application filed by you on behalf of T. E. Brown Jr., and Claudyne Brown Thorp in Case No. 3376 before the New Mexico Oil Conservation Commission. The application involves Federal oil and gas lease Las Cruces 071856-B covering the NE $\frac{1}{4}$ sec. 7, T. 19 S., R. 32 E., N.M.P.M., Lea County, New Mexico, and seeks an order of force pooling by reason of separate ownership of overriding royalty within the leasehold.

The NE $\frac{1}{4}$ sec. 7, T. 19 S., R. 32 E., was included within the horizontal limits of the Lusk Strawn oil pool by New Mexico Oil Conservation Commission Order No. R-2760, effective September 1, 1964, and the monthly oil allowable assigned to the Pan American Petroleum Corporation well No. 1 Greenwood Pre-Grayburg Operating Area, NW $\frac{1}{4}$ NE $\frac{1}{4}$ sec. 7, T. 19 S., R. 32 E., is based on 160-acre spacing.

The government's royalty is unaffected by the force pooling of the various interests as proposed in your application and we have no objection to the force pooling order.

Sincerely yours,

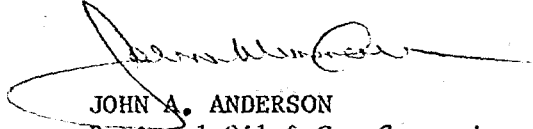

JOHN A. ANDERSON
Regional Oil & Gas Supervisor

EXHIBIT "F"

BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

IN RE. APPLICATION OF T. E. BROWN, JR. AND
CLAUDYNE BROWN THORP FOR AN ORDER OF THE
NEW MEXICO OIL CONSERVATION COMMISSION
POOLING THE OIL AND GAS MINERAL INTERESTS
AS TO THE LUSK STRAWN OIL POOL UNDERLYING
LANDS DESCRIBED AS NE $\frac{1}{4}$ OF SECTION 7, TOWNSHIP
19 SOUTH, RANGE 32 EAST, N.M.P.M., LEA COUNTY,
NEW MEXICO, EFFECTIVE AS OF THE DATE OF FIRST
PRODUCTION THEREFROM.

Case No. 3376

AFFIDAVIT OF MAILING

I, Ruby Jo Bixler, being duly sworn upon oath, state:

That I am secretary in the office of Watson & Watson,
attorneys for the applicants herein.

That on the 1st day of March, 1966, I did mail a true and correct copy of the Application of T. E. Brown, Jr. and Claudyne Brown Thorp filed in the above styled and numbered case and a true and correct copy of the Notice of Publication issued in the name of the State of New Mexico by its Oil Conservation Commission, by A. L. Porter, Jr., Secretary-Director, in said case to the following parties at the addresses shown, to wit:

Patricia Rhen Price Roberson

2711 Curtis Drive,
Amarillo, Texas.

Kathryn Jean Price Whittenburg

730 Amarillo Building,
Amarillo, Texas.

Lelah Antionette Price Covle

8701 Lakehurst Drive,
Oklahoma City, Oklahoma.

William Leslie Price

Fisk Building,
Amarillo, Texas.

W. W. Wellman

1181 College Avenue,
Topeka, Kansas.

Mrs. W. W. Wellman

1181 College Avenue,
Topeka, Kansas.

Tern Oil Company

711 First National Bank Bldg.,
Tulsa, Oklahoma.

The American National Bank of
Amarillo, Administrator of the
Estate of Dorothy R. Price,
Deceased

P. O. Box 231,
Amarillo, Texas.

Kathryn Price Murfee, Guardian
of the Estate of Bertie Noland
Price, an incompetent person

c/o Murfee & Hoover,
Attorneys at Law,
1609 Bank of the Southwest
Building,
Houston, Texas. 77002

That said copies were placed in envelopes, addressed as above set forth, and were deposited in the United States mail at Artesia, New Mexico on the above date, with postage prepaid.

DATED this 6th day of April, 1966.

Ruby Jo Bixler

Page No. 2

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

SUBSCRIBED AND SWORN to before me this 6th day of April,
1966.

My Commission Expires:

Oct. 8, 1966

Lela E. Elbert
Notary Public

PAN AMERICAN PETROLEUM CORPORATION

Post Office Box 68
Hobbs, New Mexico
June 3, 1966

File: VES-243-986.510.1

Subject: New Mexico Oil Conservation
Commission - Order No. 4-3061
Case No. 3376

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

Attention: Mr. A. L. Porter

Gentlemen:

This has reference to New Mexico Oil Conservation Commission Order No. 4-3061 dated the 2nd day of May, 1966, regarding the forced pooling of oil and gas mineral interests on Pan American Petroleum Corporation's operated Greenwood Pre-Grayburg Operating Area Well No. 1. This well is located in the NE/4 of Section 7, Township 19 South, Range 32 East, Lusk-Strawn Pool, Lea County, New Mexico.

In accordance with the above referenced order, Item (3), this is to advise that the proceeds from production from this well have been placed in escrow in the New Mexico Bank and Trust Company, Hobbs, New Mexico.

Yours very truly,

V. E. Staley
Area Superintendent

DLW:sh

Cc: NMOCC - Hobbs

GOVERNOR
JACK M. CAMPBELL
CHAIRMAN

State of New Mexico
Oil Conservation Commission



LAND COMMISSIONER
GUYTON B. HAYS
MEMBER

P. O. BOX 2088
SANTA FE

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

May 2, 1966

Mr. Fred Watson
Watson & Watson
Attorneys at Law
P. O. Drawer E
Artesia, New Mexico

Re: Case No. 3376
Order No. R-3061
Applicant:

T. E. Brown, Jr. & Claudyne Brown
Thorp

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.

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Carbon copy of order also sent to:

Hobbs OCC x
Artesia OCC
Aztec OCC

Other Mr. Guy Buell, Mr. Jason Kellahin and Mr. Ross Malone
& Mr. J. W. Manaugh

BOSTON E. WITT
ATTORNEY GENERAL



STATE OF NEW MEXICO
Office of the Attorney General
DEPARTMENT OF JUSTICE
Santa Fe

OLIVER E. PAYNE
DEPUTY ATTORNEY GENERAL

April 22, 1966

Mr. A. L. Porter, Jr.
Secretary-Director
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico

Dear Mr. Porter:

After having reviewed the file and the testimony presented in Commission Case No. 3376, it is the opinion of this office that you should not enter an order at this time.

It is our thinking that the various parties who claim an interest in the property involved in this case should first obtain an order from a court of competent jurisdiction determining the interests of each of the parties.

When that is accomplished, I would see no reason why the Commission could not again hear the case and decide whether a forced pooling order is in order.

Very truly yours,

A handwritten signature in cursive script that reads "Oliver E. Payne".

Oliver E. Payne
Deputy Attorney General

OEP:lcw

NEIL B. WATSON
FRED A. WATSON

LAW OFFICES
WATSON & WATSON
CARPER BUILDING - P. O. BOX 1000
ARTESIA, NEW MEXICO

TELEPHONE
SHERWOOD 6-4151

January 27, 1966 28 AM 10:56 3376

Mr. James M. Durrett, Jr.,
General Counsel,
New Mexico Oil Conservation Commission,
Santa Fe, New Mexico.

Dear Mr. Durrett:

Re: Application of T. E. Brown, Jr. and Claudyne Brown Thorp
for Order pooling the oil and gas mineral interests as
to Lusk Stream Oil Pool under NE $\frac{1}{4}$ of Section 7, Township
19 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

I enclose the above Application, in triplicate, for filing pursuant to the rules and regulations of the Commission, which Application is the one about which I telephoned you for general information as to your requirements for service of process and as to the additional service of process which we might wish to make.

I request that you hand the enclosed Application to the proper person in charge of filing, after you have had an opportunity to consider it in light of the requests made hereinafter.

First, in view of the number of interested parties and in view of the fact that we will personally serve those parties (including qualified foreign corporations) within New Mexico and will serve the non-residents by both mailing and four weeks publication, we request that you forward to us 30 copies of the Commission's legal Notice of Hearing.

It is, of course, understood that the Commission only makes one publication, and the additional publication cost and personal service and mailing service costs will be borne by applicants.

Second, since we will serve non-residents by the full 4 weeks publication (and mailing), as provided by the Rules of Civil Procedure for the District Courts of New Mexico, we request that the Commission's hearing date allow ample time for the full run of the Application, etc. Accordingly, the hearing should be set up so that it occurs at least four full weeks and approximately 22 or 23 days after the Commission mails back the Notices of Hearing to us.


If there are any questions as to our requests, please feel free to call me collect. I sincerely appreciate your cooperation and hope

Page No. 2

that it is possible for the Commission to comply with our requests.

Best regards.

Yours very truly,


Fred A. Watson

FAW:rjb
Encs.

APACHE

HOBBS OFFICE O. G. G.

APACHE CORPORATION
OIL AND GAS DIVISION

2000 WILCO BUILDING ■ MIDLAND, TEXAS 79704 ■ MU 3-5281

APR 15 11 17 AM '66

APR 14 AM 1720 Wilco Building
Midland, Texas

April 14, 1966

OIL CONSERVATION COMMISSION
State of New Mexico
Hobbs, New Mexico

Attention: Mr. Joe Ramey

Re: Regular Hearing
April 13, 1966

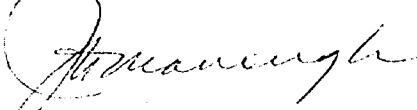
Gentlemen:

On April 13, 1966, a hearing styled Case No. 3376 concerning compulsory pooling of the NE/4 of Section 7, T-19-S, R-32-E, Lea County, New Mexico, was held in Hobbs.

As soon as the Commission's order has been written, I would appreciate very much your furnishing me with a copy of such order handed down in this case. Your cooperation in this matter would be greatly appreciated.

Very truly yours,

DELAWARE-APACHE CORPORATION



J. W. Manaugh
Division Landman

JWM:mw

To : Ida Rodriguez :

Can you take care
of this.



PAN AMERICAN PETROLEUM CORPORATION

PAN AMERICAN BUILDING

TULSA, OKLAHOMA—74102

April 14, 1967

P. O. BOX 591

7 59
APR 20 1967

R. D. KARNs
TREASURER

C. S. WEAVER
ASSISTANT TREASURER

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

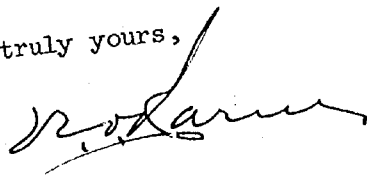
Attention: Mr. A. L. Porter

Gentlemen:

This has reference to NMOCC Order No. 4-3061, dated the 2nd day of May, 1966, regarding the forced pooling of oil and gas mineral interests under the Pan American Petroleum Corporation-operated Greenwood Pre-Grayburg Operating Area Well No. 1, located in the NE/4 of Section 7, Township 19 South, Range 32 East, Lusk-Straun Pool, Lea County, New Mexico. We also refer to our Mr. V. E. Staley's letter of June 3, 1966, to the Commission in which he advised that we were placing certain proceeds from production from this well in escrow in the New Mexico Bank and Trust Company, Hobbs, New Mexico, in accordance with the order.

We now wish to advise you that Demand and Proof-of-Ownership has been furnished us in connection with a portion of this fund, and it is our intention to pay such owner, in our normal disbursement procedure, through our local bank, and draw down that portion of the escrow account accrued and attributable to such proven interest. This procedure will be followed in future instances where proofs-of-ownership of the funds in this account are furnished to us.

Very truly yours,



CSW:kh

PAN AMERICAN PETROLEUM CORPORATION

PAN AMERICAN BUILDING

P. O. BOX 591

TULSA, OKLAHOMA—74102

July 20, 1967

R. D. KARNs
TREASURER

C. S. WEAVER
ASSISTANT TREASURER

10 23
22 JUL 67

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

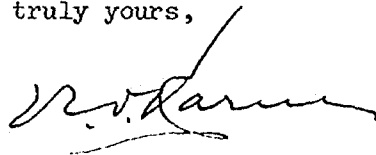
Attention: Mr. A. L. Porter

Gentlemen:

This has reference to NMOCC Order No. 4-3061, dated the 2nd day of May, 1966, regarding the forced pooling of oil and gas mineral interests under the Pan American Petroleum Corporation-operated Greenwood Pre-Grayburg Operating Area Well No. 1, located in the NE/4 of Section 7, Township 19 South, Range 32 East, Lusk-Straun Pool, Lea County, New Mexico. We also refer to our Mr. V. E. Staley's letter of June 3, 1966, to the Commission in which he advised that we were placing certain proceeds from production from this well in escrow in the New Mexico Bank and Trust Company, Hobbs, New Mexico, in accordance with the order.

We now wish to advise you that Demand and Proof-of-Ownership has been furnished us in connection with a portion of this fund, and it is our intention to pay such owner, in our normal disbursement procedure, through our local bank, and draw down that portion of the escrow account accrued and attributable to such proven interest. This procedure will be followed in future instances where proofs-of-ownership of the funds in this account are furnished to us.

Very truly yours,



CSW:kh

PAN AMERICAN PETROLEUM CORPORATION

PAN AMERICAN BUILDING

P. O. BOX 591

TULSA, OKLAHOMA—74102

R. D. KARNIS
TREASURER

August 17, 1970

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

70 AUG 19 PM 1 26

DM
file - Case 3376

Gentlemen:

This has reference to NMOCC Order No. R-3061 dated the 2nd day of May, 1966, regarding the force pooling of oil and gas mineral interests under the Pan American Petroleum Corporation operated Greenwood Pre-Grayburg Operating Area Well No. 1, located in the NE/4 of Section 7, Township 19 South, Range 32 East, Lusk-Strawn Pool, Lea County, New Mexico. We also refer to our Mr. V. E. Staley's letter of June 3, 1966, to the commission in which he advised that we were placing certain proceeds from production from this well in escrow in the New Mexico Bank and Trust Company, Hobbs, New Mexico, in accordance with the order.

This is to advise you that effective January 1, 1970, we sold our interest in this well to Clinton Oil Corporation of Wichita, Kansas, but have continued to operate the properties for them through June 30, 1970. Effective July 1, we will no longer operate the properties and Clinton Oil Corporation is being advised by copy of this letter and a copy of the original order that they should open an escrow account in a New Mexico bank into which they could deposit funds in compliance with the order. Pan American Petroleum Corporation will continue to maintain and police the escrow account balance as of June 30 and will make disbursements therefrom from time to time as the interest owners are determined, as we have done in the past.

Yours very truly,

R. D. Karnis

CSW:cl

CC - Clinton Oil Corporation
Mr. John P. Jones, w/attachment
Mr. Lou Myrick, w/attachment
217 North Water
Wichita, Kansas 67202

Mr. K. W. Bolt - Ft. Worth
Mr. J. R. Carter - Ft. Worth
Mr. V. E. Staley - Hobbs, New Mexico
Mr. W. H. Jones, Atten: Mr. F. D. Culbertson

No. 3-2966

ABSTRACT OF TITLE

TO

NE $\frac{1}{4}$ Sec. 7, Twp 19 S., Rge. 32 E., NMPM

SITUATED IN LEA COUNTY,
NEW MEXICO

FOR

WATSON & WATSON

CERTAIN PAPERS ONLY FROM INCEPTION OF THE RECORDS TO MARCH 29, 1966 at 8 a.m.

COMPILED BY

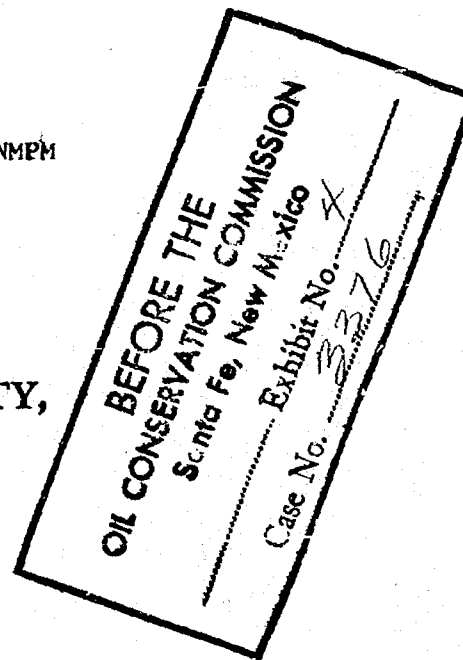
LOVINGTON ABSTRACT COMPANY, Inc.

P. O. Box 1148

Telephone 396-3500

LOVINGTON, NEW MEXICO

GORDON M. CONE



No.

Abstract of Title
TO

**Situated in Lea County,
New Mexico**
FOR

Compiled by
Lovington Abstract Company, Inc.

P. O. Box 1148 Telephone 396-3500

Lovington, New Mexico

Prompt Service

GORDON M. CONE

THE CLEGG CO., SAN ANTONIO

Abstract of Title

No. 3-2966

Compiled by the

LOVINGTON ABSTRACT COMPANY

(Incorporated)

of

Lovington, New Mexico

To

NE $\frac{1}{4}$ Section 7, Township 19 South, Range 32 East, N.M.P.M.,
Lea County, New Mexico

For

WATSON & WATSON

Gordon M. Cone

CS- - - - - 112 026 338- - - - - #1

UNITED STATES OF AMERICA

TO

T. E. BROWN

INSTR: OIL AND GAS LEASE
DATED: OCTOBER 1, 1950
FILED: NOVEMBER 2, 1953
1:20 O'CLOCK P.M.
RCDED: BOOK 112 PAGE 338
OIL AND GAS RECORDS
LEA COUNTY, NEW MEXICO

Form 4-213
(December 1949)

29644

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
NONCOMPETITIVE

Office LAS CRUCES

Serial 071856

LEASE OF OIL AND GAS LANDS UNDER THE ACT OF
FEBRUARY 25, 1920, AS AMENDED

ACT OF JULY 29, 1942

OCT 1 1950

THIS INDENTURE OF LEASE, entered into, in triplicate, as of the
day of by and between the UNITED STATES OF AMERICA, through the
Bureau of Land Management, party of the first part, and T. E. Brown

Artesia
New Mexico

party of the second part, hereinafter called the lessee, under, pursuant, and
subject to the terms and provisions of the act of February 25, 1920 (41 Stat. 437),
as amended, hereinafter referred to as the act, and to all reasonable regulations
of the Secretary of the Interior now or hereafter in force when not inconsistent
with any express and specific provisions herein, which are made a part hereof,
WITNESSETH:

SECTION 1. Rights of Lessee.—That the lessor, in consideration of rents and
royalties to be paid, and the conditions and covenants to be observed as herein set
forth, does hereby grant and lease to the lessee the exclusive right and privilege
to drill for, mine, extract, remove, and dispose of all the oil and gas deposits
except hollum gas in or under the following-described tracts of land situated ~~at the~~
field:

T. 19 N., R. 32 E., S. 4 P.M., New Mexico

Sec. 5: W1/2, S1/2, E1/2, S1/2

6: Lots 1, 2, 3, 4, E1/2, S1/2

7: Lots 1, 2, 3 W1/2, E1/2

x
x
x
x
x
x
x
x
x
x

containing 1327.35 acres, more or less, together with the right to construct and
maintain thereupon all works, buildings, plants, waterways, roads, telegraph or
telephone lines, pipe lines, reservoirs, tanks, pumping stations, or other struc-
tures necessary to the full enjoyment thereof, for a period of 5 years, and so long
thereafter as oil or gas is produced in paying quantities; subject to any unit
agreement heretofore or hereafter approved by the Secretary of the Interior, the
provisions of said agreement to govern the lands subject thereto where inconsisten-
cies with the terms of this lease occur.

SEC. 2. In consideration of the foregoing, the lessee hereby agrees:

(a) Bond.—(1) To maintain any bond furnished by the lessee as a condition
for the issuance of this lease. (2) If the lease is issued noncompetitively, to
furnish a bond in a sum double the amount of the \$1 per acre annual rental, but not
less than \$1,000 nor more than \$5,000, upon the inclusion of any part of the leased
land within the geologic structure of a producing oil or gas field. (3) To furnish
prior to beginning of drilling operations and maintain at all times thereafter as
required by the lessor a bond in the penal sum of \$5,000 with approved corporate
surety, or with deposit of United States bonds as surety therefor, conditioned upon
compliance with the terms of this lease, unless a bond in that amount is already
being maintained or unless such a bond furnished by an approved operator of the
lease is accepted.

Until a general lease bond is filed a noncompetitive lessee will be required to furnish and maintain a bond in the penal sum of not less than \$1,000 in those cases in which a bond is required by law for the protection of the owners of surface rights. In all other cases where a bond is not otherwise required, a \$1,000 bond must be filed for compliance with the lease obligations not less than 90 days before the due date of the next unpaid annual rental, but this requirement may be successively dispensed with by payment of each successive annual rental not less than 90 days prior to its due date.

(b) Cooperative or unit plan.—Within 30 days of demand, or if the land is within an approved unit plan, in the event such a plan is terminated prior to the expiration of this lease, within 30 days of demand made thereafter, to subscribe to and to operate under such reasonable cooperative or unit plan for the development and operation of the area, field, or pool, or part thereof, embracing the lands included herein as the Secretary of the Interior may determine to be practicable and necessary or advisable, which plan shall adequately protect the rights of all parties in interest, including the United States.

(c) Wells.—(1) To drill and produce all wells necessary to protect the leased land from drainage by wells on lands not the property of the lessor or lands of the United States leased at a lower royalty rate, or in lieu of any part of such drilling and production, with the consent of the Director of the Geological Survey, to compensate the lessor in full each month for the estimated loss of royalty through drainage in the amount determined under instructions of said Secretary; (2) at the election of the lessee, to drill and produce other wells in conformity with any system of well spacing or production allotments affecting the field or area in which the leased lands are situated, which is authorized and sanctioned by applicable law or by the Secretary of the Interior; and (3) promptly after due notice in writing to drill and produce such other wells as the Secretary of the Interior may require to insure diligence in the development and operation of the property.

(d) Rentals and royalties.—(1) To pay the rentals and royalties set out in the rental and royalty schedule attached hereto and made a part hereof.

(2) It is expressly agreed that the Secretary of the Interior may establish reasonable minimum values for purposes of computing royalty on any or all oil, gas, natural gasoline, and other products obtained from gas; due consideration being given to the highest price paid for a part or for a majority of production of like quality in the same field, to the price received by the lessee, to posted prices and to other relevant matters and, whenever appropriate, after notice and opportunity to be heard.

(3) When paid in value, such royalties on production shall be due and payable monthly on the last day of the calendar month next following the calendar month in which produced. When paid in amount of production, such royalty products shall be delivered in merchantable condition on the premises where produced without cost to lessor, unless otherwise agreed to by the parties hereto, at such times and in such tanks provided by the lessee as reasonably may be required by the lessor, but in no case shall the lessee be required to hold such royalty oil or other products in storage beyond the last day of the calendar month next following the calendar month in which produced. The lessee shall not be responsible or held liable for the loss or destruction of royalty oil or other products in storage from causes over which he has no control.

(4) Royalties shall be subject to reduction on the entire leasehold or on any portion thereof segregated for royalty purposes if the Secretary of the Interior finds that the lease cannot be successfully operated upon the royalties fixed herein, or that such action will encourage the greatest ultimate recovery of oil or gas or promote conservation.

(e) Contracts for disposal of products.—Not to sell or otherwise dispose of oil, gas, natural gasoline, and other products of the lease except in accordance with a contract or other arrangement first approved by the Director of the Geological Survey or his representative, such approval to be subject to review by the Secretary of the Interior but to be effective unless and until revoked by the Secretary or the approving officer, and to file with such officer all contracts or full information as to other arrangements for such sales.

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(f) Statements, plats, and reports.—At such times and in such form as the lessor may prescribe, to furnish detailed statements showing the amounts and quality of all products removed and sold from the lease, the proceeds therefrom, and the amounts used for production purposes or unavoidably lost; a plat showing development work and improvements on the leased lands and a report with respect to stockholders, investment, depreciation, and costs.

(g) Well records.—To keep a daily drilling record, a log, and complete information on all well surveys and tests in form acceptable to or prescribed by the lessor of all wells drilled on the leased lands, and an acceptable record of all subsurface investigations affecting said lands, and to furnish them, or copies thereof to the lessor when required.

(h) Inspection.—To keep open at all reasonable times for the inspection of any duly authorized officer of the Department, the leased premises and all wells, improvements, machinery, and fixtures thereon and all books, accounts, maps, and records relative to operations and surveys or investigations on the leased lands or under the lease.

(i) Payments.—Unless otherwise directed by the Secretary of the Interior, to make rental, royalty, or other payments to the lessor, to the order of the Treasurer of the United States, such payments to be tendered to the manager of the district land office in the district in which the lands are located or to the Director of the Bureau of Land Management if there is no district land office in the State in which the lands are located.

(j) Diligence—Prevention of waste—Health and safety of workmen.—To exercise reasonable diligence in drilling and producing the wells herein provided for unless consent to suspend operations temporarily is granted by the lessor; to carry on all operations in accordance with approved methods and practice as provided in the operating regulations, having due regard for the prevention of waste of oil or gas or damage to deposits or formations containing oil, gas, or water or to coal measures or other mineral deposits, for conservation of gas energy, for the preservation and conservation of the property for future productive operations, and for the health and safety of workmen and employees; to plug properly and effectively all wells before abandoning the same; to carry out at expense of the lessee all reasonable orders of the lessor relative to the matters in this paragraph, and that on failure of the lessee so to do the lessor shall have the right to enter on the property and to accomplish the purpose of such orders at the lessee's cost; Provided, that the lessee shall not be held responsible for delays or casualties occasioned by causes beyond lessee's control.

(k) Taxes and wages—Freedom of purchase.—To pay when due, all taxes lawfully assessed and levied under the laws of the State or the United States upon improvements, oil, and gas produced from the lands hereunder, or other rights, property, or assets of the lessee; to accord all workmen and employees complete freedom of purchase, and to pay all wages due workmen and employees at least twice each month in the lawful money of the United States.

(l) Nondiscrimination.—Not to discriminate against any employee or applicant for employment because of race, creed, color, or national origin, and to require an identical provision to be included in all subcontracts.

(m) Assignment of oil and gas lease or interest therein.—To file within 90 days from the date of final execution any instrument of transfer made of this lease, or any interest therein, including assignments of record title, working or royalty interests, operating agreements and subleases for approval, such instrument to take effect upon its final approval by the Director, Bureau of Land Management, as of the first day of the lease month following the date of filing in the proper land office.

(n) Pipe lines to purchase or convey at reasonable rates and without discrimination.—If owner, or operator, or owner of a controlling interest in any pipe line or of any company operating the same which may be operated accessible to the oil or gas derived from lands under this lease, to accept and convey and, if a purchaser of such products, to purchase at reasonable rates and without discrimination the oil or gas of the Government or of any citizen or company not the owner of any pipe line,

operating a lease or purchasing or selling oil, gas, natural gasoline, or other products under the provisions of the act.

(c) Reserved deposits.—To comply with all statutory requirements and regulations thereunder, if the lands embraced herein have been or shall hereafter be disposed of under the laws reserving to the United States the deposits of oil and gas therein, subject to such conditions as are or may hereafter be provided by the laws reserving such oil or gas.

(p) Reserved or segregated lands.—If any of the land included in this lease is embraced in a reservation or segregated for any particular purpose, to conduct operations thereunder in conformity with such requirements as may be made by the Director, Bureau of Land Management, for the protection and use of the land for the purpose for which it was reserved or segregated, so far as may be consistent with the use of the land for the purpose of this lease, which latter shall be regarded as the dominant use unless otherwise provided herein or separately stipulated.

(q) Overriding royalties.—To limit the obligation to pay overriding royalties or payments out of production in excess of 5 percent to periods during which the average production per well per day is more than 15 barrels on an entire leasehold or any part of the area thereof or any zone segregated for the computation of royalties.

(r) Deliver premises in cases of forfeiture.—To deliver up the premises leased, with all permanent improvements thereon, in good order and condition in case of forfeiture of this lease; but this shall not be construed to prevent the removal, alteration, or renewal of equipment and improvements in the ordinary course of operations.

SEC. 3. The lessor expressly reserves:

(a) Rights reserved—Easements and rights-of-way.—The right to permit for joint or several use easements or rights-of-way, including easements in tunnels upon, through, or in the lands leased, occupied, or used as may be necessary or appropriate to the working of the same or of other lands containing the deposits described in the act, and the treatment and shipment of products thereof by or under authority of the Government, its lessees or permittees, and for other public purposes.

(b) Disposition of surface.—The right to lease, sell, or otherwise dispose of the surface of any of the lands embraced within this lease which are owned by the United States under existing law or laws hereafter enacted, insofar as said surface is not necessary for the use of the lessee in the extraction and removal of the oil and gas therein.

(c) Monopoly and fair prices.—Full power and authority to promulgate and enforce all orders necessary to insure the sale of the production of the leased lands to the United States and to the public at reasonable prices, to protect the interests of the United States, to prevent monopoly, and to safeguard the public welfare.

(d) Helium.—Pursuant to section 1 of the act, and section 1 of the act of March 3, 1927 (44 Stat. 1337), as amended, the ownership and the right to extract helium from all gas produced under this lease, subject to such rules and regulations as shall be prescribed by the Secretary of the Interior. In case the lessor elects to take the helium the lessee shall deliver all gas containing same, or portion thereof desired, to the lessor at any point on the leased premises in the manner required by the lessor, for the extraction of the helium in such plant or reduction works for that purpose as the lessor may provide, whereupon the residue shall be returned to the lessee with no substantial delay in the delivery of gas produced from the well to the purchaser thereof. The lessee shall not suffer a diminution of value of the gas from which the helium has been extracted, or loss otherwise, for which he is not reasonably compensated, save for the value of the helium extracted. The lessor further reserves the right to erect, maintain, and operate any and all reduction works and other equipment necessary for the extraction of helium on the premises leased.

(e) Taking of royalties.—All rights pursuant to section 36 of the act, to take royalties in amount or in value of production.

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(f) Casing.—All rights pursuant to section 40 of the act to purchase casing and lease or operate valuable water wells.

(g) Fissionable materials.—Pursuant to the provisions of the act of August 1, 1946 (Public Law 585, 79th Congress) all uranium, thorium, or other material which has been or may hereafter be determined to be peculiarly essential to the production of fissionable materials, whether or not of commercial value, together with the right of the United States through its authorized agents or representatives at any time to enter upon the land and prospect for, mine and remove the same, making just compensation for any damage or injury occasioned thereby.

SEC. 4. Drilling and producing restrictions.—It is covenanted and agreed that the rate of prospecting and developing and the quantity and rate of production from the lands covered by this lease shall be subject to control in the public interest by the Secretary of the Interior, and in the exercise of his judgment the Secretary may take into consideration, among other things, Federal laws, State laws, and regulations issued thereunder, or lawful agreements among operators regulating either drilling or production, or both. After unitization, the Secretary of the Interior, or any person, committee, or State or Federal officer or agency so authorized in the unit plan, may alter or modify from time to time, the rate of prospecting and development and the quantity and rate of production from the lands covered by this lease.

SEC. 5. Surrender and termination of lease.—The lessee may surrender this lease or any legal subdivision thereof by filing in the proper land office a written relinquishment, in triplicate, which shall be effective as of the date of filing subject to the continued obligation of the lessee and his surety to make payment of all accrued rentals and royalties and to place all wells on the land to be relinquished in condition for suspension or abandonment in accordance with the regulations and the terms of the lease, to be accompanied by a statement that all wages and moneys due and payable to the workmen employed on the land relinquished have been paid.

SEC. 6. Purchase of materials, etc., on termination of lease.—Upon the expiration of this lease, or the earlier termination thereof pursuant to the last preceding section, the lessor or another lessee may, if the lessor shall so elect within 3 months from the termination of the lease, purchase all materials, tools, machinery, appliances, structures, and equipment placed in or upon the land by the lessee, and in use thereon as a necessary or useful part of an operating or producing plant, on the payment to the lessee of such sum as may be fixed as a reasonable price therefor by a board of three appraisers, one of whom shall be chosen by the lessor, one by the lessee, and the other by the two so chosen; pending such election all equipment shall remain in normal position. If the lessor, or another lessee, shall not within 3 months elect to purchase all or any part of such materials, tools, machinery, appliances, structures, and equipment, the lessee shall have the right at any time, within a period of 90 days thereafter to remove from the premises all the material, tools, machinery, appliances, structures, and equipment which the lessor shall not have elected to purchase, save and except casing in wells and other equipment or apparatus necessary for the preservation of the well or wells. Any materials, tools, machinery, appliances, structures, and equipment, including casing in or out of wells on the leased lands, shall become the property of the lessor, on expiration of the period of 90 days above referred to or such extension thereof as may be granted on account of adverse climatic conditions throughout said period.

SEC. 7. Proceedings in case of default.—If the lessee shall not comply with any of the provisions of the act or the regulations thereunder or make default in the performance or observance of any of the terms, covenants, and stipulations hereof and such default shall continue for a period of 30 days after service of written notice thereof by the lessor, the lease may be canceled by the Secretary of the Interior in accordance with section 31 of the act, as amended, and all materials, tools, machinery, appliances, structures, equipment, and wells shall thereupon become the property of the lessor, except that if said lease covers lands known to contain valuable deposits of oil or gas, the lease may be canceled only by judicial proceedings in the manner provided in section 31 of the act; but this provision shall not be construed to prevent the exercise by the lessor of any legal or equitable remedy which the lessor might otherwise have. A waiver of any particular

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cause of forfeiture shall not prevent the cancellation and forfeiture of this lease for any other cause of forfeiture, or for the same cause occurring at any other time.

SEC. 8. Heirs and successors in interest.—It is further covenanted and agreed that each obligation hereunder shall extend to and be binding upon, and every benefit hereof shall inure to, the heirs, executors, administrators, successors, or assigns of the respective parties hereto.

SEC. 9. Unlawful interest.—It is also further agreed that no Member of, or Delegate to, Congress, or Resident Commissioner, after his election or appointment, or either before or after he has qualified, and during his continuance in office, and that no officer, agent, or employee of the Department of the Interior, shall be admitted to any share or part in this lease or derive any benefit that may arise therefrom; and the provisions of section 3741 of the Revised Statutes of the United States, and sections 431, 432, and 433, title 18, United States Code, relating to contracts, enter into and form a part of this lease so far as the same may be applicable.

IN WITNESS WHEREOF:

THE UNITED STATES OF AMERICA.

For the Director, Bureau of Land Management

By Joseph H. Lawrence Manager

James A. [Signature]

James A. [Signature]

Witnesses to signature of lessee.

J. Brown

Lessee.

vc ----- -233 O&G 1- ----- -#1

T. E. BROWN, ET UX

TO

CHARLES B. READ

INSTR: ASSIGNMENT (CERTIFIED COPY)
DATED: MAY 21, 1954
FILED: NOVEMBER 13, 1964
8:15 O'clock A.M.
RECORDED: BOOK 233 PAGE 1
oil and gas RECORDS
LEA COUNTY, NEW MEXICO

25554

CERTIFIED COPY

No. 1026643

From the records of the United States Land and Survey Office at Santa Fe, New Mexico,
pertaining to L.C. 071856.

Prepared for

TEENECO OIL COMPANY

Prepared by

FEDERAL ABSTRACT COMPANY

(No Stockholders Liability)

Santa Fe, New Mexico

RECEIVED
BUREAU OF LAND MANAGEMENT

1954 JUL -9 AM 8:48

SANTAFE, NEW MEXICO

ASSIGNMENT

THIS ASSIGNMENT, made and entered into this the 22nd day
of May, 1954, by and between T. E. Brown and wife,

Glen Brown
of P. O. Box 35, Artesia, New Mexico,

hereinafter referred to as assignor (whether one or more), and

Carlton B. Reed
of P. O. Box 6694, Roswell, New Mexico,

hereinafter referred to as assignee;

W I T N E S S E T H:

NOW, THEREFORE, in consideration of the sum of \$10.00 and
other good and valuable considerations in hand paid by the assignee
to the assignor, the receipt whereof is hereby confessed and acknowl-
edged, the assignor does hereby sell, assign, transfer, set over and
convey unto said assignee, his heirs, personal representatives, (or
its successors) and assigns, that certain oil and gas lease made and
entered into by and between the United States, acting by and through
the Director of the Bureau of Land Management as lessor and _____

T. E. Brown, as lessee, bearing
Las Cruces Serial No. 673056, insofar as said
oil and gas lease covers and affects the following described land
situated in Lea County, New Mexico, to-wit:

T. 39 S., - R. 30 E., N.M.P.M.
Sec. 6 - 100 1/2, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 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RECEIVED
SUNBELT OIL AND GAS MANAGEMENT

1984 JUL -9 AM 8:43

The assignor hereby excepts and reserves an overriding
SANTA FE, NEW MEXICO
royalty equal to 20% of the market value at the wells as produced
of all the oil and gas which may be produced, saved and marketed from
the above described lands under the terms of said oil and gas lease
or any extensions or renewals thereof, or any preference right lease
based thereon. Said overriding royalty shall be computed and paid at
the same time and in the same manner as royalties payable to the United
States under the terms of said lease are computed and paid, and the
assignor shall be responsible for assignor's proportionate part of
all taxes and assessments levied upon or against or measured by the
production of oil and gas therefrom. Said overriding royalty shall
be the total overriding royalty for which the assignee shall be obligated
and shall include all overriding royalties, and obligations, if any,
heretofore created and payable out of production of oil and gas from
said land. / Said overriding royalty shall not imply any leasehold
preservation or development obligation on the part of the assignee;
however, nothing herein contained shall relieve the assignee from
compliance with any of the terms and conditions of said oil and gas
lease. No change in the ownership of said overriding royalty, or any
interest therein, shall be binding upon the assignee until such time as
he shall have been furnished with either the original, a certified
copy or an acceptable photostatic copy of the recorded instrument or
instruments effecting such change in ownership.

If, at any time, the assignee should desire to surrender or
relinquish said oil and gas lease, or any extension or renewal thereof,
as to the above described lands, or any part thereof, the assignee shall
give written notice to the assignor of such desire at least thirty (30)
days prior to the time for payment of the next annual rental under the
terms of said lease, or at least thirty (30) days prior to the expira-
tion of the term of said lease if the same may be extended or renewed

RECEIVED
BUREAU OF LAND MANAGEMENT

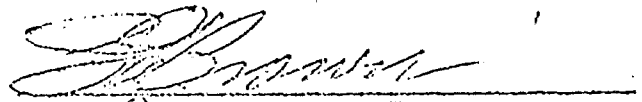
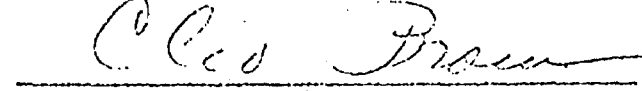
1954 JUL -9 AM 8:43

SANTA FE, NEW MEXICO

describing in such notice the lands so desired to be surrendered. If the assignor should fail, within ten (10) days after the date of the mailing of such notice, to advise assignee in writing of assignor's election to take a reassignment of said lease as to the lands described in assignee's notice, the assignee shall be free to surrender or relinquish said lease. Notice of the intention of assignee to surrender or relinquish said lease shall be mailed to the assignor at the address shown herein, or at any change of address of which the assignor has advised the assignee, said notice to be sent by registered mail, return receipt requested. There shall be no obligation on the part of the assignee for the failure of the assignor to receive such notice.

TO HAVE AND TO HOLD, said oil and gas lease covering the above described lands unto said assignee, his heirs (or its successors) and assigns forever. For the same consideration the assignor covenants with and warrants to said assignee that said oil and gas lease is in good standing and is free of all liens and encumbrances and obligations of whatsoever character and that assignor will warrant and forever defend the title thereto unto said assignee, his heirs (or its successors) and assigns, against all persons whomsoever lawfully having or claiming any interest therein.

IN WITNESS WHEREOF, this assignment is executed in quadruplicate on the day and year first hereinabove written.



Assignor

RECEIVED
BUREAU OF LAND MANAGEMENT

1954 JUL -9 AM 8:43

SANTA FE, NEW MEXICO

STATE OF NEW MEXICO)
COUNTY OF BOSQUE) SS

On this the 21st day of May, 1954,
before me personally appeared T. B. Brown and wife, Glad Brown
_____, to me
personally known to be the person B described in and who executed the
foregoing instrument, and acknowledged that she executed the same
as she free act and deed.

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

My Commission Expires

March 31, 1957

Martha Sanchez
Notary Public

STATE OF _____)
COUNTY OF _____) SS

On this _____ day of _____, 195____,
before me personally appeared _____
_____, to me personally known to be the
person _____ described in and who executed the foregoing instrument and
acknowledged that _____ executed the same as _____ free act and deed.

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

Notary Public

My Commission Expires

C E R T I F I C A T E

STATE OF NEW MEXICO }
COUNTY OF SANTA FE } SS

The FEDERAL ABSTRACT COMPANY (No Stockholders Liability), a corporation duly organized and existing under and by virtue of the laws of the State of New Mexico, and duly bonded and insured, does hereby certify:

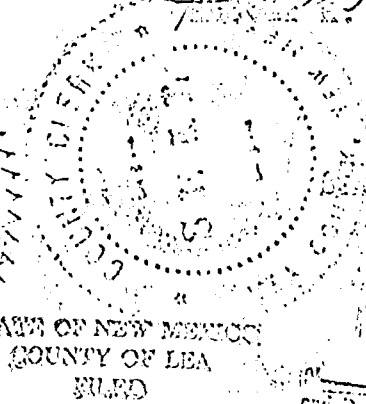
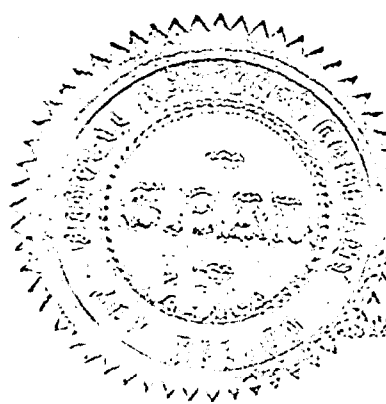
That the foregoing is a true and correct copy of Assignment of Oil and Gas Lease L.C. 071056, dated May 21, 1934, by and between T.E. Brown and Cleo Brown, his wife and Charles B. Read, P.O. Box 6696, Roswell, New Mexico, taken from the records of the United States Land Office at Santa Fe, New Mexico, on this the 26th. day of October 1964, at 10:00 A.M.

IN WITNESS WHEREOF, the FEDERAL ABSTRACT COMPANY (No Stockholders Liability) has caused this certificate to be signed by its Secretary, and its Corporate Seal to be hereunto affixed at Santa Fe, New Mexico, on this the 26th. day of October 1964.

FEDERAL ABSTRACT COMPANY

No. 1026643

James M. Wright
James M. Wright, Secretary



STATE OF NEW MEXICO
COUNTY OF SANTIAGO
FILED

NOV 13 1964

8:15
and Recorded in Book 223
Page 1
JAMES M. WRIGHT, Secretary

es- - - - - 89 MISC 272- - - - - #1

T. E. BROWN, ET AL

TO

T. E. BROWN JR. ET AL

INSTR: ASSIGNMENT OF OVERRIDING ROYALTY
DATED: JUNE 23, 1954
FILED: AUGUST 6, 1954
1:40 O'CLOCK P.M.
RECORDED: BOOK 89 PAGE 272
MISCELLANEOUS RECORDS
LEA COUNTY, NEW MEXICO

39676

ASSIGNMENT OF OVERRIDING ROYALTY

THIS ASSIGNMENT, Made and entered into this 23rd day of June, 1954, by and between T. E. BROWN and CLEO BROWN, his wife, Artesia, New Mexico, Assignors, and T. E. BROWN, JR., Artesia, New Mexico, and CLAUDYNE BROWN THORP, Assignees,

W I T N E S S E T H:

That the undersigned Assignors, for and in consideration of the sum of Ten and No/100 Dollars, and other good and valuable considerations, to them in hand paid by said Assignees, the receipt whereof is hereby acknowledged and confessed, do hereby sell, assign, transfer, set over and convey unto said Assignees, their heirs, personal representatives and assigns, an overriding royalty equal to five per cent (5%) of all of the oil and gas produced, saved and marketed from that certain Oil and Gas Lease made and entered into by and between the United States of America and T. E. Brown on October 1, 1950, bearing Las Cruces Serial No. 071856, insofar as said lease covers the following described land situated in Lea County, New Mexico, to-wit:

Township 19 South, Range 32 East, N.M.P.M.

Section 7, E/2 NE/4

and containing 80 acres, more or less,

in the following proportions:

T. E. Brown, Jr. 1/2 of 5%
Claudyne Brown Thorp 1/3 of 5%

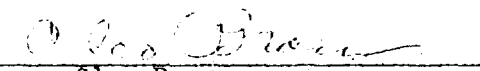
under the terms of said lease or any extensions or renewals thereof.

TO HAVE AND TO HOLD said overriding royalty interest herein conveyed unto said Assignees, their heirs, personal representatives and assigns, forever.

For the same consideration, the Assignors covenant with and warrant to said Assignees that said oil and gas lease is in good standing and that the overriding royalty interest herein assigned is free and clear of all liens and encumbrances, and that they will warrant and forever defend the title thereto unto said Assignees, their heirs, personal representatives and assigns, against all persons whomsoever lawfully having or claiming an interest therein.

IN WITNESS WHEREOF, This Assignment is executed, in quadruplicate, on the day and year first hereinabove written.


T. E. Brown


Cleo Brown

STATE OF NEW MEXICO)
COUNTY OF EDDY) ss.

On this 23rd day of June, 1954, before me personally appeared T. E. BROWN and CLEO BROWN, his wife, to me known to be the persons described in and who executed the foregoing instrument and acknowledged that they executed the same as their free act and deed.

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




Notary Public

My commission expires:

May 22, 1955

State of New Mexico
County of Eddy
FILED FOR RECORD

AUG 6 1954

at 1:40 o'clock P. M.

and Recording Clerk

Page

Wommes County Clerk

2. Chisholm B. 35

D. L. P. ...

at ...

39676

es- - - - - 24 MISC 135- - - - - #1

T. E. BROWN, ET UX	(	ENTERED:	ASSIGNMENT OF OVERRIDING ROYALTY
	(	DATED:	JUNE 23, 1954
TO	(	FILED:	JANUARY 3, 1955
	(		3:45 O'CLOCK A.M.
G. KELLEY STOUT, ET AL	(	RECORDED:	BOOK 24 PAGE 135
	(		MISCELLANEOUS RECORDS
	(		LEA COUNTY, NEW MEXICO

258

ASSIGNMENT OF OVERRIDING ROYALTY

THIS ASSIGNMENT, Made and entered into this 23rd day of June, 1954, by and between T. E. BROWN and CLEO BROWN, his wife, Artesia, New Mexico, Assignors, and G. KELLEY STOUT, Artesia, New Mexico, W. N. PRICE, PAUL TERRY, Artesia, New Mexico, T. E. BROWN, JR., Artesia, New Mexico, and CLAUDYNE BROWN THORP, Assignees,

W I T N E S S E T H:

That the undersigned Assignors, for and in consideration of the sum of Ten and No/100 Dollars, and other good and valuable considerations, to them in hand paid by said Assignees, the receipt whereof is hereby acknowledged and confessed, do hereby sell, assign, transfer, set over and convey unto said Assignees, their heirs, personal representatives and assigns, an overriding royalty equal to five per cent (5%) of all of the oil and gas produced, saved and marketed from that certain Oil and Gas Lease made and entered into by and between the United States of America and T. E. Brown on October 1, 1950, bearing Las Cruces Serial No. 071856, insofar as said lease covers the following described land situated in Lea County, New Mexico, to-wit:

Township 19 South, Range 32 East, N.M.P.M.

Section 6, Lots 1 and 2, and SE/4;
Section 7, W/2 NE/4

and containing 322.67 acres, more or less,

in the following proportions:

G. Kelley Stout	6/16ths of 5%
W. N. Price	5/16ths of 5%
Paul Terry	1/8 th of 5%
T. E. Brown, Jr.	3/32nds of 5%
Claudyne Brown Thorp	3/32nds of 5%

under the terms of said lease or any extensions or renewals thereof.

es- - - - - 94 MISC 135- - - - - #1

T. E. BROWN, ET UX

TO

G. KELLEY STOUT, ET AL

INSTR: ASSIGNMENT OF OVERRIDING ROYALTY
DATED: JUNE 23, 1954
FILED: JANUARY 8, 1955
3:45 O'CLOCK A.M.
RECORDED: BOOK 94 PAGE 135
MISCELLANEOUS RECORDS
LEA COUNTY, NEW MEXICO

258

ASSIGNMENT OF OVERRIDING ROYALTY

THIS ASSIGNMENT, Made and entered into this 23rd day of June, 1954, by and between T. E. BROWN and CLEO BROWN, his wife, Artesia, New Mexico, Assignors, and G. KELLEY STOUT, Artesia, New Mexico, W. N. PRICE, PAUL TERRY, Artesia, New Mexico, T. E. BROWN, JR., Artesia, New Mexico, and CLAUDYNE BROWN THORP, Assignees,

W I T N E S S E T H:

That the undersigned Assignors, for and in consideration of the sum of Ten and No/100 Dollars, and other good and valuable considerations, to them in hand paid by said Assignees, the receipt whereof is hereby acknowledged and confessed, do hereby sell, assign, transfer, set over and convey unto said Assignees, their heirs, personal representatives and assigns, an overriding royalty equal to five per cent (5%) of all of the oil and gas produced, saved and marketed from that certain Oil and Gas Lease made and entered into by and between the United States of America and T. E. Brown on October 1, 1950, bearing Las Cruces Serial No. 071856, insofar as said lease covers the following described land situated in Lea County, New Mexico, to-wit:

Township 19 South, Range 32 East, N.M.P.M.

Section 6, Lots 1 and 2, and SE/4;
Section 7, W/2 NE/4

and containing 322.67 acres, more or less,

in the following proportions:

G. Kelley Stout	6/16ths of 5%
W. N. Price	5/16ths of 5%
Paul Terry	1/8 th of 5%
T. E. Brown, Jr.	3/32nds of 5%
Claudyne Brown Thorp	3/32nds of 5%

under the terms of said lease or any extensions or renewals thereof.

TO HAVE AND TO HOLD said overriding royalty interest herein conveyed unto said Assignees, their heirs, personal representatives and assigns, forever.

For the same consideration, the Assignors covenant with and warrant to said Assignees that said oil and gas lease is in good standing and that the overriding royalty interest herein assigned is free and clear of all liens and encumbrances, and that they will warrant and forever defend the title thereto unto said Assignees, their heirs, personal representatives and assigns, against all persons whomsoever lawfully having or claiming an interest therein.

IN WITNESS WHEREOF, This Assignment is executed, in quadruplicate, on the day and year first hereinabove written.

T. E. Brown

Cleo Brown

STATE OF NEW MEXICO)
COUNTY OF EDDY) ss.

On this 23rd day of June, 1954, before me personally appeared T. E. BROWN and CLEO BROWN, his wife, to me known to be the persons described in and who executed the foregoing instrument and acknowledged that they executed the same as their free act and deed.

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

Mary Vandeventer
Notary Public

My commission expires:

May 22, 1955

848 A
E. D.
Notary Clerk
Deputy

G. KELLEY STOUT

TO

W.N. PRICE

INSTR: ROYALTY ASSIGNMENT
 DATED: AUGUST 1, 1963
 FILED: AUGUST 13, 1963
 10:45 A.M. O'CLOCK
 RECORDED: BOOK 203 PAGE 325
 MISCELLANEOUS RECORDS
 LEA COUNTY, NEW MEXICO

8438 ROYALTY ASSIGNMENT

This assignment made and entered into this 1st day of August, 1963,
 by and between G. Kelley Stout, a married man, dealing in his separate
property,
 herein referred to as assignor, (whether one or more) and
W. N. Price, 305 Fisk Building, Amarillo, Texas,
 hereinafter referred to as assignee, (whether one or more).

WITNESSETH:

The undersigned assignor for and in the consideration of the sum of \$10.00 and other good and valuable considerations to assignor in hand paid by said assignee, the receipt whereof is hereby confessed and acknowledged, does hereby sell, assign, transfer, set over and convey unto said assignee, heirs, personal representatives (or its successors)

and assigns, an overriding royalty equal to three-eighths of five percent (3/8ths of 5%)
 of the market value at the wells as produced of all of the oil and gas and other hydrocarbon substances which may be

produced, saved and marketed from the following described lands situated in the County of Lea,

State of New Mexico to-wit:

Township 19 South, Range 32 East, N.M.P.M.

Section 6: Lots 1, 2, SE $\frac{1}{4}$

Section 7: W $\frac{1}{2}$ NE $\frac{1}{4}$

under the terms of that certain oil and gas lease made and entered into by and between the
United States of America, as lessor and T. E. Brown,
Las Cruces 071856 (and now Las Cruces 071856-B)

as lessee, bearing No. _____ or any extension or renewal thereof; said overriding royalty shall be computed

and paid at the same time and in the same manner as royalties payable to the United States of America,
 under the terms of said lease are computed and paid; and assignee shall be responsible for assignee's proportionate part
 of all taxes and assessments levied upon or against or measured by the production of oil and gas from said land.

TO HAVE AND TO HOLD said royalty interest unto assignee, heirs, personal representatives (or its successors)
 and assigns forever. For the same consideration assignor covenants with and warrants to said assignee that said royalty
 interest is in good standing, that it is free and clear of all liens and encumbrances and that assignor will warrant and for-
 ever defend the title thereto unto said assignee, heirs, personal representatives (or its successors) and assigns, against all
 persons whomsoever lawfully having or claiming an interest therein.

IN WITNESS WHEREOF this assignment is executed on the day and year first hereinabove written.

G. Kelley Stout
 (G. Kelley Stout)

STATE OF New Mexico
 County of Eddy ss.

On this 7th day of August, 1963, before me personally

appeared G. Kelley Stout, a married man, dealing in his separate property,

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.

Witness my hand and seal the day and year last above written.

My commission expires Oct. 8, 1966 Lea Ellett
 Notary Public

PROBATE DOCKET "A"
CASE NO. 1503
LEA COUNTY, NEW MEXICO

IN THE MATTER OF THE LAST WILL & TESTAMENT

ATTORNEYS: NEIL P. WATSON
ALBUQUERQUE, NEW MEXICO

OF

L. M. PRICE, DECEASED

DATE	PROCEEDINGS	RECORDED
------	-------------	----------

1955

Nov.	17	Application for Ancillary Probate of Will and Ancillary Letters Testamentary & Oath Attached	3 - 278
"	17	Certificate of Mailing	
"	17	Order Admitting Will	12 - 49
"	17	Ancillary Letters Testamentary Issued	8 - 62
"	17	Form "A" Mailed	

Dec.	2	Notice to Creditors	
------	---	---------------------	--

1956

Jan.	16	Affidavit of Publication	
Oct.	25	Inventory	
"	25	Certificate of Mailing	
"	25	Warrant to Appraisers Issued - Lea County	
"	25	Warrant to Appraisers Issued - Eddy County	
"	25	Warrant to Appraisers Issued - Union County	
Nov.	20	Warrant to Appraisers Returned - Union County	
Nov.	20	Certificate of Mailing	
Dec.	1	Petition for Extension of Time and Order	
"	21	Receipt for Appraisers Fee's	
"	27	Warrant to Appraisers Returned - Eddy County	
"	27	Certificate of Mailing	

1957

Feb.	21	Warrant to Appraisers Returned - Lea County	
"	21	Certificate of Mailing	
Mar.	30	Receipt for Appraisers Fees - Lea County	
"	30	Receipt for Appraisers Fees - Eddy County	
Dec.	12	Assessment Official Notice Succession Tax	

1958

Jan.	2	Official Receipt	
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1965

Aug	20	Application for Letters of Administration C.T.A. (Letters Guardianship Attached)	
"	20	Oath	14 - 361
"	20	Order Appointing Ancillary Administration C.T.A.	27-- 256
"	20	Letters of Administration	14 - 362
Sept	22	Final Account and Report	
"	22	Order Setting Date	27 - 351
"	22	Notice of Hearing	
Nov	12	Affidavit of Mailing	
"	12	Waiver of Service and Entry of Appearance - Kathryn Price Murfee	
"	12	Waiver of Service and Entry of Appearance - Lelah Antionette Price Coyle	
"	12	Affidavit of Publication	
"	12	Decree Approving Final Account and Report Determining Heirship and Ordering Discharge of Ancillary Administrator C.T.A.	27 - 495

Papers excepted from the foregoing suit will be furnished upon request-Abstracter.

NOV 12 1965

IN THE PROBATE COURT OF LEA COUNTY JANE RICE, County Clerk

STATE OF NEW MEXICO

By D. E. B.
Deputy

IN THE MATTER OF THE LAST WILL)
AND TESTAMENT AND ESTATE OF)
L. M. PRICE, DECEASED.)

No. 1503

Mr 27
p. 485

DECREE APPROVING FINAL ACCOUNT AND REPORT,
DETERMINING HEIRSHIP, AND ORDERING DISCHARGE
OF ANCILLARY ADMINISTRATOR, C.T.A.

This matter came on before the Court upon the Final Account and Report of Kathryn Price Murfee, Ancillary Administrator, C.T.A., together with her petition for determination of the heirship of L. M. Price, deceased, and for an order of distribution and for discharge; and it appearing to the Court from the files in this case that due Notice of this hearing has been given by publication in a legal newspaper published in Lea County, New Mexico, for the time and in the manner required by law, and by mailing copies of the Final Account and Report and copies of said Notice to the heirs at law, devisees and legatees of the decedent; and this being the date set for hearing and no objections having been made or filed herein, the Court finds:

1. That the Final Account and Report of Kathryn Price Murfee, Ancillary Administrator, C.T.A., is true and correct and should be approved.

2. That Notice to Creditors was duly published in this estate for the time and in the manner required by law, and the time to file claims in the estate has expired and there are no claims that were filed and approved within the time provided by law, so that if there be any debts or claims against said estate, the same are now barred.

3. That the inheritance tax to the State of New Mexico was duly paid, as is shown by the receipt on file herein, and the Federal Estate Tax was duly determined and paid, as is shown by copy of the Certificate received from the District Director of Internal Revenue Service, United States Treasury Department, which is attached to the original Final Account and Report on file herein.

4. That L. M. Price died October 4, 1955 in Amarillo, Texas, leaving a Last Will and Testament dated February 20, 1951. That said L. M. Price was survived by his wife, Bertie Noland Price, of Amarillo, Texas, who is now an incompetent person due to advanced age and whose guardian is Kathryn Price Murfee, of Houston, Texas.

That under the provisions of the Will of L. M. Price, all property of whatsoever nature and kind was given, bequeathed and devised to Bertie Noland Price, in fee simple. That at the time of the death of the said L. M. Price, his wife, the said Bertie Noland Price, his daughter, Kathryn Price Murfee, and his son, William Noland Price, were all of the heirs of said decedent.

5. That this estate should be closed and settled, and the Ancillary Administrator, C.T.A., discharged, and all property be set over to Bertie Noland Price, through her duly appointed guardian.

IT IS, THEREFORE, ORDERED, ADJUDGED AND DECREED that the Final Account and Report of Kathryn Price Murfee, Ancillary Administrator, C.T.A., be, and it hereby is, approved, and said Ancillary Administrator, C.T.A., is hereby discharged.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Bertie Noland Price is the sole legatee and devisee of L. M. Price, deceased, and all property to be distributed in this estate shall be distributed

Page No. 3

to and vest in Kathryn Price Murfee, as guardian for Bertie Noland Price, an incompetent person.

DONE IN OPEN COURT, this 12th day of November, 1965.

Paul Harrison
Probate Judge.

dh-----240 MISC 482-----#1

IN THE MATTER OF THE GUARDIANSHIP
OF
BERTIE NOLAND PRICE, AN INCOMPETENT

INSTR: CERTIFIED COPY DISTRICT COURT PROCEEDINGS
DATED: APRIL 29, 1965
FILED: JULY 30, 1965
11:30 o'clock a.m.
RCDED: BOOK 240 PAGE 482
MISCELLANEOUS RECORDS
LEA COUNTY, NEW MEXICO

35716
CLERK'S CERTIFICATE

STATE OF NEW MEXICO }
County of Eddy } ss.

I, **MARGUERITE E. WALLER**, Clerk of the
DISTRICT COURT OF THE FIFTH JUDICIAL DISTRICT, within and for the County of Eddy, State
of NEW MEXICO, DO HEREBY CERTIFY that the attached is a full, true and correct copy of
the original

ORDER APPOINTING ANCILLARY GUARDIAN

in cause numbered **22407** on the **Civil** Docket
of said court, ~~wherein~~ **IN THE MATTER OF THE GUARDIANSHIP OF BERTIE NOLAND**
~~plaintiff~~ **PRICE, an Incompetent Person**
~~defendant~~, all as shown from the files and records of my said office.

IN WITNESS WHEREOF, I have hereunto set my hand
and affixed the seal of said Court at Carlsbad, New Mexico,
this **28th** day of **July**, A. D. 19**65**.



Marguerite E. Waller
Clerk of the District Court
By Katherine Knight, Deputy

FILED APR 29 1965 IN MY OFFICE

IN THE DISTRICT COURT OF EDDY COUNTY
STATE OF NEW MEXICO

IN THE MATTER OF THE GUARDIANSHIP
OF
BERTIE NOLAND PRICE, an Incompetent
Person.

NO. 201,1

ORDER APPOINTING ANCILLARY GUARDIAN

This cause came on for hearing on the petition of Kathryn Price Murfee for appointment of herself as ancillary guardian and the Court having examined the file and having taken evidence finds:

1. Bertie Noland Price was adjudged to be a person of unsound mind and incompetent in the County Court of Randall County, Texas, in Cause No. 1628 in Probate. The petitioner herein was on 14 January 1965 appointed guardian of the person and estate of said incompetent person and on the same day qualified as such by posting a corporate surety bond in the amount of \$100,000.00 and taking the oath required by law.

2. The County Court of Randall County, Texas, is a court of competent jurisdiction.

3. The said Bertie Noland Price is the owner of real property in the State of New Mexico of the approximate value of \$12,000.00. It is necessary that an ancillary guardian be appointed in the State of New Mexico to preserve the estate of the incompetent.

4. Petitioner is qualified to act as ancillary guardian and if appointed will faithfully fulfill her duties.

IT IS THEREFORE ORDERED:

1. Kathryn Price Murfee be appointed ancillary guardian of the estate of Bertie Noland Price.

2. She may qualify upon filing a corporate surety bond in the amount of \$15,000.00 and filing the oath required by law.

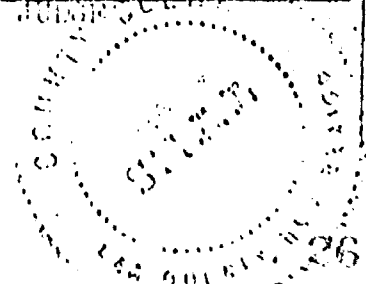
DONE at Carlisbad, Eddy County, New Mexico, April 29, 1965.

STATE OF NEW MEXICO
COUNTY OF LEA
FILED

JUL 30 1965

at 11:30 o'clock AM
and Recorded in Book 240
Page 432
JAN. HILL County Clerk
By [Signature] Deputy

(64-384)



35716

IN THE MATTER OF THE ESTATE

OF

WILLIAM NOLAN PRICE, AKA
WILLIAM N. PRICE, AKA
W. N. PRICE, DECEASED

INSTR: PROBATE PROCEEDINGS
DATED: OCTOBER 14, 1965
FILED: OCTOBER 19, 1965
9:55 o'clock a.m.
RCDED: BOOK 246 PAGE 400
MISCELLANEOUS RECORDS
LEA COUNTY, NEW MEXICO

IN THE PROBATE COURT OF LEA COUNTY,

STATE OF NEW MEXICO.

IN THE MATTER OF THE ESTATE
OF
WILLIAM NOLAN PRICE, ALSO
KNOWN AS WILLIAM N. PRICE,
ALSO KNOWN AS W. N. PRICE,
DECEASED,

O. H. QUIN,

ADMINISTRATOR.

38924

NO. 2577

NOTICE OF ADMINISTRATION

TO WHOM IT MAY CONCERN:

Notice is hereby given that William Nolan Price, also known as William N. Price, also known as W. N. Price, is deceased. That on the Docket of the Probate Court of Lea County, State of New Mexico, styled "In the Matter of the Estate of William Nolan Price, also known as William N. Price, also known as W. N. Price, Deceased, No. 2577, the undersigned was appointed Administrator of the Estate of William Nolan Price, on the 10th day of June, 1965. You are further notified that the Estate of William Nolan Price, also known as William N. Price, also known as W. N. Price, owns the following described property, to-wit:

1/6 of 1/4 W.I. (Nix & Curtis lease) in and under the SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 26, Township 18 South, Range 27 East;

1/6 of 81.25% W.I. in and under the N $\frac{1}{4}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$ and NW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 35, Township 18 South, Range 27 East;

1/3 of 81.25% W.I. in and under the NW $\frac{1}{4}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$ of Section 35, Township 18 South, Range 27 East, to 1200 feet;

1/3 of 5% ORI in and under the NE $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 35, Township 18 South, Range 27 East;

1/6 of 1/4 W.I. (Nix and Curtis lease) in and under the SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 35, Township 18 South, Range 27 East;

1/3 of 5% ORI in and under the NW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 36, Township 18 South, Range 27 East;

1/2 of 7/8 working interest in and under the NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 16, and NE $\frac{1}{4}$ SW $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$, and SE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 34, Township 21 South, Range 31 East (lease terminates March 20, 1966);

1/4 minerals in and under the NE $\frac{1}{4}$ of Section 18, Township 12 South, Range 27 East;

1/4 minerals in and under the NE $\frac{1}{4}$ of Section 20, Township 12 South, Range 27 East.

LEA COUNTY, NEW MEXICO:

2 $\frac{1}{2}$ % ORI in and under the S $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 30, Township 18 South, Range 32 East;

2 $\frac{1}{2}$ % ORI in and under the W $\frac{1}{2}$ NW $\frac{1}{4}$ of Section 31, Township 18 South, Range 32 East;

11/32 of 5% ORI and 11/32 of \$20,058.72 oil payment out of 1/16 of 7/8 in and under the S $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 31, Township 18 South, Range 32 East;

3/8 of 2 $\frac{1}{2}$ % ORI in and under Lot 2, Section 31, Township 18 South, Range 32 East;

1.125% ORI in and under the SE $\frac{1}{4}$ and NW $\frac{1}{4}$ of Section 3, Township 19 South, Range 32 East;

1.125% ORI in and under the NW $\frac{1}{4}$, N $\frac{1}{4}$ SE $\frac{1}{4}$ and SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 4, Township 19 South, Range 32 East;

1/8 of 82.5% W.I. and 11/32 of 5% ORI in and under the SE $\frac{1}{4}$, N $\frac{1}{4}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 5, Township 19 South, Range 32 East;

11 11/32 of 5% ORI in and under the W $\frac{1}{2}$ NW $\frac{1}{4}$ and SE $\frac{1}{4}$ of Section 6, Township 19 South, Range 32 East;

2 $\frac{1}{2}$ % ORI effective when \$20,000.00 production payment of 1/16 of 7/8 pays out and 5/32 of \$20,000 production payment in and under the N $\frac{1}{4}$ NE $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$ of Section 6, Township 19 South, Range 32 East;

11/32 of 5% ORI in and under the W $\frac{1}{2}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 6, Township 19 South, Range 32 East;

1/2 of O.P. of \$151,462.50 out of 4% of 28.8676% in and under Lots 3 and 4 and E $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 6 and Lots 1 and 2 and E $\frac{1}{2}$ NW $\frac{1}{4}$ of Section 7, Township 19 South, Range 32 East;

2 $\frac{1}{2}$ % ORI, plus 1% ORI in and under the NE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 7, Township 19 South, Range 32 East;

11/32 of 5% ORI in and under the W $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 7, Township 19 South, Range 32 East;

1/4 of New Mexico lease #036259 to 4000 feet and 1/2 of 1% ORI in and under the N $\frac{1}{2}$ and E $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 4, Township 20 South, Range 32 East;

1/2 of New Mexico lease #039490 to 4000 feet and 1/2 of 1% ORI in and under the E $\frac{1}{2}$ NE $\frac{1}{4}$ and W $\frac{1}{2}$ W $\frac{1}{2}$ of Section 5, E $\frac{1}{2}$ E $\frac{1}{2}$ of Section 6, E $\frac{1}{2}$ W $\frac{1}{2}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 8, E $\frac{1}{2}$ SW $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 9, Township 20 South, Range 32 East;

1/4 of New Mexico lease #036259 below 4000 feet in and under the E $\frac{1}{2}$ NE $\frac{1}{4}$, W $\frac{1}{2}$ W $\frac{1}{2}$ of Section 5, E $\frac{1}{2}$ E $\frac{1}{2}$ of Section 6, E $\frac{1}{2}$ W $\frac{1}{2}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 8, Township 20 South, Range 32 East;

1/4 of New Mexico lease #B3277 to 4000 feet in and under the SW $\frac{1}{4}$ and NW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 16, Township 20 South, Range 32 East;

1/4 of 3/32 ORI in and under the NW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 16, Township 20 South, Range 32 East;

3/8 of 107/2240 minerals in and under Tract 1: NW $\frac{1}{4}$ NE $\frac{1}{4}$ and NW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 23, Township 18 South, Range 35 East;

3/8 of 5/128 minerals in and under Tract 2: SW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 23, Township 18 South, Range 35 East;

3/8 of 107/2240 minerals in and under Tract 3: SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 23, Township 18 South, Range 35 East;

3/8 of 1/42 minerals in and under Tract 4: NE $\frac{1}{4}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 23, Township 18 South, Range 35 East;

1/10 minerals in and under the S $\frac{1}{2}$ of Section 33, Township 23 South, Range 36 East;

1/40 minerals in and under the E $\frac{1}{2}$ SE $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$ and SW $\frac{1}{4}$ of Section 33, Township 23 South, Range 36 East;

1/10 minerals in and under the W $\frac{1}{2}$ of Section 4, Township 24 South, Range 36 East;

Oil payment of \$21,200 out of 3/128 of 7/8 in and under the NE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 4, Township 24 South, Range 36 East;

1/10 minerals in and under the W $\frac{1}{2}$ of Section 9, Township 24 South, Range 36 East.

UNION COUNTY, NEW MEXICO:

1/8 of 1/8 royalty interest in and under the SE $\frac{1}{4}$ and the E $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 1, N $\frac{1}{2}$ S $\frac{1}{2}$, S $\frac{1}{2}$ N $\frac{1}{2}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$ and NE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 12, Township 23 North, Range 36 East;

1/48 of Lots 1, 2, 3 and 5, SW $\frac{1}{4}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$ and W $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 5, Lots 5, 6 and 7 and SE $\frac{1}{4}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$ and S $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 6, Lots 3 and 4 and SW $\frac{1}{4}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$ and N $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 7, NW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 8, Township 30 North, Range 37 East;

1/30 of Lots 3 and 4, and W $\frac{1}{2}$ SE $\frac{1}{4}$ and SW $\frac{1}{4}$ of Section 32, Township 31 North, Range 37 East;

1/80 of S $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 14, SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 15, E $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 22, W $\frac{1}{2}$ NE $\frac{1}{4}$, W $\frac{1}{2}$, and W $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 23, W $\frac{1}{2}$ NE $\frac{1}{4}$, N $\frac{1}{2}$ NW $\frac{1}{4}$ and NW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 26, NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 27, Township 31 North, Range 36 East;

1/60 of E $\frac{1}{2}$ NW $\frac{1}{4}$ and N $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 7, N $\frac{1}{2}$ NW $\frac{1}{4}$ of Section 8, all in Township 30 North, Range 37 East, and NW $\frac{1}{4}$ NE $\frac{1}{4}$, N $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ NW $\frac{1}{4}$ and W $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 29, N $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$ and E $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 30, and S $\frac{1}{2}$ N $\frac{1}{2}$, N $\frac{1}{2}$ SW $\frac{1}{4}$ and NW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 31, all in Township 31 North, Range 37 East.

CHAVES COUNTY, NEW MEXICO:

1/2 of 7/8 working interest in and under the NE $\frac{1}{4}$ of Section 28, Township 12 South, Range 27 East (lease terminates March 20, 1966);

1/2 of 7/8 working interest (oil and gas lease #M K-2704) in and under Lots 1, 2 and 3, S $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ and NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 2, Township 15 South, Range 31 East (lease terminates September 18, 1972).

EDDY COUNTY, NEW MEXICO:

1/8 of 50% W.I. in and under the NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 22, Township 17 South, Range 30 East;

1/8 of 65.5% W.I. in and under the NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 22, Township 17 South, Range 30 East.

DATED This the 14 day of October, A.D., 1965.

O. H. OQUIN
O. H. OQUIN

STATE OF TEXAS }
COUNTY OF Musam } ss.

14 The foregoing instrument was acknowledged before me this the day of October, A.D., 1965, by O. H. OQUIN.

My Commission Expires:

June 1, 1967

Albert
NOTARY PUBLIC

JWN/b

STATE OF NEW MEXICO }
COUNTY OF LEA } ss.

FILED FOR RECORD on the 19 day of October 1965 at 9:55 o'clock PM and recorded in Book 246
page 400 of the Muse records of my office.

By

County Clerk

Deputy.

PROBATE DOCKET "6"
CASE NO. 2577
LEA COUNTY, NEW MEXICO

IN THE MATTER OF THE ESTATE

OF

WILLIAM NOLAND PRICE, AKA WILLIAM
N. PRICE & AKA W. N. PRICE, DECEASED

ATTORNEYS: NEAL AND NEAL
NEAL BUILDING
P. O. BOX 278
HOBBS, NEW MEXICO

DATE	PROCEEDINGS	RECORDED
<u>1965</u>		
Feb.	1 Application for Appointment of Administratrix	
"	1 Certificate of Mailing	
"	1 Order	26 - 380
"	3 Oath	14 - 141
"	3 Bond	14 - 145
"	15 Letters of Administration	14 - 158
"	15 "Certified Copy of Irrevocable Consent of Dorothy W. Price"	
"	15 Notice to Creditors	
Mar.	4 Form "A" Mailed	
"	10 Affidavit of Publication	
Apr.	15 Claim of McFarland Corporation Against Dorothy W. Price, Adm.	
June	10 Application for Substitution of Administratrix	
"	10 Order	27 - 53
"	28 Certified Copy of Irrevocable Consent	
"	28 Oath of Office	14 - 296
"	28 Bond of Administrator	14 - 297
"	28 Notice to Creditors	
"	28 Letters of Administration	14 - 300
July	1 Motion	
"	2 Order	27 - 106
"	20 Affidavit of Publication	
Oct.	5 Petition for Determination of Heirship	
"	5 Order	27 - 380
"	5 Notice of Hearing	
"	12 Inventory	
"	12 Certificate of Mailing	
"	13 Warrant to Appraisers Issued (Lea County)	
"	13 Warrant to Appraisers Issued (Eddy County)	
"	13 Warrant to Appraisers Issued (Union County)	
"	13 Warrant to Appraisers Issued (Chaves County)	
"	19 Notice of Administration	
"	25 Warrant to Appraisers Returned (Union County)	
"	25 Certificate of Mailing	
Nov.	1 Affidavit of Publication	
"	17 Claim of McFarland Corporation	
"	17 Order Setting Date of Hearing for Claim of McFarland Corporation	
Dec.	1 Order Determining Heirship	
"	1 Motion for Continuance	
"	1 Order	
"	10 Proof of Claim - Watson & Watson	
"	10 Proof of Claim - G. Kelley Stout	
"	10 Proof of Claim - Juanita Denton Branum	
"	10 Proof of Claim - Union Supply Co., Inc.	
"	10 Proof of Claim - Neil Jackson, dba Neil Jackson & Sons	
"	10 Proof of Claim - Joel Frier	
"	10 Proof of Claim - Gooch Tank Company	
"	10 Proof of Claim - I & W Hot Oil Service, Inc.	
"	14 Stipulation	
"	14 Order	27 - 586
<u>1966</u>		
Jan	24 Dismissal of Claim - Robert C. Bledsoe	

Papers excepted from the foregoing suit will be furnished upon request-Abstracter.

STATE OF NEW MEXICO
COUNTY OF LEA
FILED

FEB 1 - 1965

IN THE PROBATE COURT OF LEA COUNTY,

JANE RICE, County Clerk

STATE OF NEW MEXICO.

By H. E. B. Deputy

IN THE MATTER OF THE ESTATE)
OF)
WILLIAM NOLAND PRICE, ALSO)
KNOWN AS WILLIAM N. PRICE,)
ALSO KNOWN AS W. N. PRICE,)
DECEASED.)

NO. 2577

APPLICATION FOR APPOINTMENT OF ADMINISTRATRIX

COMES NOW Dorothy W. Price and files this her Application for the administration of the estate of William Noland Price, also known as William N. Price, also known as W. N. Price, and for grounds thereof states:

1. That William Noland Price died intestate while a resident of Amarillo, Texas on the 4th day of October, 1964.

2. That William Noland Price, Deceased, left the following heirs and their addresses are as follows:

Dorothy W. Price, wife,
5517 Andrews Avenue,
Amarillo, Texas;

Patricia Rhea Price Roberson, daughter,
2711 Curtis Drive,
Amarillo, Texas;

Kathryn Jeanne Price Whittenburg, daughter,
730 Amarillo Building,
Amarillo, Texas;

Lelah Antionette Price Coyle, daughter,
8701 Lakehurst Drive,
Oklahoma City, Oklahoma;

William Leslie Price, son,
Fisk Building,
Amarillo, Texas.

That all of the above named persons are over the age of 21.

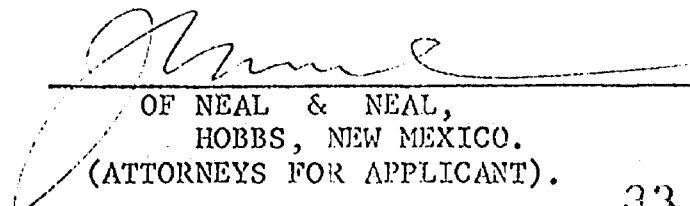
3. That at the time of the death of William Noland Price he was the owner of real estate in Lea County, New Mexico.

4. That William Noland Price died without a will by reason of the fact that a will was executed prior to his marriage to applicant, Dorothy W. Price, and that by reason thereof such will has no force or effect.

5. That applicant is a non-resident of the State of New Mexico but is authorized to act as Administratrix of the Estate of William Noland Price, Deceased, by filing with the Secretary of State an irrevocable consent that suits and actions may be commenced against her in the proper court of any county of this state in which such cause of action may arise or in which the plaintiff may reside by service of process or pleadings authorized by the laws of this state on the Secretary of State of the State of New Mexico and that applicant has simultaneous with the filing of this Application for Appointment of Administratrix filed with the Secretary of State of the State of New Mexico an irrevocable consent.

6. That applicant herein is not disqualified for any reason from acting as Administratrix of the Estate of William Noland Price, Deceased and if appointed, she will make a perfect inventory of and faithfully administer all the estates of William Noland Price and account for and pay all assets which may come to her possession or knowledge.

WHEREFORE, applicant prays that the Court enter its Order appointing applicant as Administratrix of the Estate of William Noland Price, Deceased, and that Letters of Administration issue to her upon the filing and approval of her bond in an amount to be fixed by the Court, her Oath of Office and certification that she has filed with the Secretary of State an irrevocable consent as required under Section 31-1-6, New Mexico Statutes, 1953 Annotated.


OF NEAL & NEAL,
HOBBS, NEW MEXICO.
(ATTORNEYS FOR APPLICANT).

STATE OF TEXAS)
)SS.
COUNTY OF POTTER)

I, DOROTHY W. PRICE, being first duly sworn upon my oath,
state:

I am the applicant in the above and foregoing Application
for Appointment of Administratrix; I have read and understand
the contents of the foregoing Application and the facts therein
alleged are true and correct.

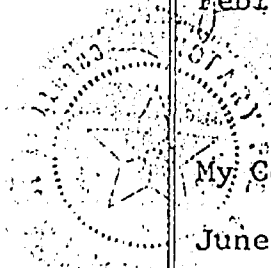
Dorothy W. Price
DOROTHY W. PRICE

SUBSCRIBED AND SWORN to before me this the 28th day of
January A.D., 1965.
February

Edward Saunders
NOTARY PUBLIC in and for
Potter County, Texas

My Commission Expires:

June 1, 1965.



DEC 1 - 1965

IN THE PROBATE COURT OF LEA COUNTY

JANE RICE, County Clerk

STATE OF NEW MEXICO.

By V. E. B. Deputy

IN THE MATTER OF THE ESTATE
OF
WILLIAM NOLAND PRICE, ALSO
KNOWN AS WILLIAM N. PRICE,
ALSO KNOWN AS W. N. PRICE,
DECEASED.

NO. 2577

Vol 27
pg 586

ORDER DETERMINING HEIRSHIP

NOW on this day the above styled and numbered cause came on to be heard by the Court upon the Petition for Determination of Heirship and the Court, after being fully advised in the premises, finds:

1. That O. H. Oquin, the duly appointed Administrator of the Estate of William Noland Price, Deceased, has filed his Petition for Determination of Heirship in said estate. That notice of hearing the Determination of Heirship has been published in the time and manner provided by law and that all of the heirs of William Noland Price have entered their appearances in said proceedings.

2. That William Noland Price died intestate on October 4, 1964, in Amarillo, Texas, and the following are the only persons owning an interest in and to the property belonging to the said William Noland Price, Deceased, in the respective interests set opposite their names:

Dorothy W. Price, wife,
Deceased

an undivided 1/4 of
- separate property and
all community property.

Patricia Rhea Price Roberson,
daughter, 2711 Curtis Drive,
Amarillo, Texas

an undivided 3/16 of
-separate property

Kathryn Jeanne Price Whittenburg,
daughter, 730 Amarillo Building,
Amarillo, Texas

an undivided 3/16 of
-separate property

Lelah Antionette Price Coyle,
daughter, 8701 Lakehurst Dr.,
Oklahoma City, Oklahoma.

an undivided 3/16 of
-separate property

William Leslie Price, son,
Fisk Building,
Amarillo, Texas

-an undivided 3/16 of
separate property.

That the above named persons are the sole and only heirs at law of William Noland Price, also known as William N. Price, also known as W. N. Price, Deceased, and are the only persons having any interest in and to the property belonging to the estate and are the only persons entitled to distribution of the assets and property belonging to said estate.

3. That subsequent to the death of William Noland Price, Deceased, Dorothy W. Price, his surviving wife, died intestate on or about April 1, 1965, and her estate is being probated in the Probate Court of Lea County, New Mexico, and the American National Bank of Amarillo, Amarillo, Texas, is the duly appointed and acting Administrator of her estate and that the interest belonging to the said Dorothy W. Price, Deceased, is owned by the heirs of the said Dorothy W. Price.

IT IS, THEREFORE, CONSIDERED AND ORDERED BY THE COURT That the following are the only persons owning an interest in and to the property belonging to the said William Noland Price, Deceased, in the respective interests set opposite their names:

Dorothy W. Price, Deceased	- an undivided 1/4 of separate property and all community property
Patricia Rhea Price Roberson	- an undivided 3/16 of separate property
Kathryn Jeanne Price Whittenburg	- an undivided 3/16 of separate property
Lelah Antionette Price Coyle	- an undivided 3/16 of separate property
William Leslie Price	- an undivided 3/16 of separate property,

and that said persons are the sole and only heirs of William Noland Price, Deceased, and are the only persons entitled to distribution of the assets of his estate.

DONE in open court at Lovington, New Mexico.

Opal Harrison
PROBATE JUDGE

PROBATE DOCKET "6"
CASE NO. 2611
LEA COUNTY, NEW MEXICO

IN THE MATTER OF THE ESTATE

ATTORNEYS: NEAL AND NEAL
P. O. BOX 278
HOBBS, NEW MEXICO

OF

DOROTHY R. PRICE, DECEASED

DATE PROCEEDINGS RECORDED

1965

May	14	Application for Ancillary Letters of Administration	
"	14	Certificate of Mailing	
"	14	Order	
"	18	Oath of Ancillary Administrator	14 - 243
"	18	Post Office Address of Ancillary Administrator	
"	18	Notice to Creditors	
"	18	Bond of Ancillary Administrator	14 - 247
"	21	Letters of Administration	14 - 250
June	14	Affidavit of Publication	
"	17	Form "A" Mailed	
Sept	30	Petition For Determination of Heirship	
"	30	Order	27 - 369
"	30	Notice of Hearing	
Oct	1	Appearance and Waiver - W. W. Wellman	
"	1	Appearance and Waiver - Elsie I. Wellman	
"	27	Affidavit of Publication	
Nov	17	Claim of McFarland Corporation Against The American National Bank of Amarillo	
"	17	Order	27 - 506
Dec	1	Order Determining Heirship	
"	1	Motion for Continuance	
"	1	Order	27 - 562

1966

Jan 24 Dismissal of Claim - Robert C. Bledsoe

Papers excepted from the foregoing suit will be furnished upon request-Abstracter.

MAY 14 1935

IN THE PROBATE COURT OF LEA COUNTY

JANE RICE, County Clerk

STATE OF NEW MEXICO.

By U. E. B.
Deputy

IN THE MATTER OF THE ESTATE)
OF)
DOROTHY R. PRICE, DECEASED.)

NO. 2611

APPLICATION FOR ANCILLARY LETTERS OF ADMINISTRATION

COMES NOW The American National Bank of Amarillo, Amarillo, Texas, by and through its Vice-President and Assistant Trust Officer, Rhea Raines, and states:

1. That in the County Court of Randall County, Texas, Probate Division, styled "In the Matter of the Estate of Dorothy R. Price, Deceased," No. 1697, applicant was appointed Administrator of the Estate of Dorothy R. Price, Deceased and Letters of Administration issued to it by said Court.

2. That applicant is qualified under the Laws of the State of New Mexico to act as Ancillary Administrator of the Estate of Dorothy R. Price, Deceased, and should be appointed as Ancillary Administrator of said estate.

3. That Dorothy R. Price, Deceased, was an heir of William Noland Price, Deceased, and as such had an interest in and to his estate which is now in the process of being probated in Cause No. 2577 on the Docket of the Probate Court of Lea County, State of New Mexico, and the exact description of such property is not readily ascertainable at this time but the interest of the said Dorothy R. Price is in oil and gas interests in Lea County, New Mexico, and she may also own other property as her separate property which at this time has not been ascertained by applicant. That immediately upon ascertaining the interest of Dorothy R. Price, Deceased, from the Estate of William Noland Price, Deceased, and if any other property is ascertained to be owned by the said Dorothy R. Price, individually, applicant will immediately file a declaration of interest in and to said

property and shall include same in the inventory to be hereafter filed.

4. That applicant files herewith a certified copy of the Application for Letters of Administration and Order Granting Administration in Cause No. 1697 of the County Court of Randall County, Texas, showing its appointment and qualification as Administrator.

5. That applicant files herewith its post office address for the purpose of service of process upon it as required by law, to-wit:

The American National Bank of Amarillo, P.O. Box 231,
Amarillo, Texas.

6. That the bond of the Ancillary Administrator should not be in excess of \$1,000.00.

WHEREFORE, the undersigned prays that the Court enter an order for the issuance of Ancillary Letters of Administration to the undersigned applicant, The American National Bank of Amarillo, Amarillo, Texas, upon its filing of its Post Office Address, Oath of Office and Bond not in excess of \$1,000.00.

THE AMERICAN NATIONAL BANK OF AMARILLO,

BY: Rhea Raines
RHEA RAINES,
VICE-PRESIDENT AND ASSISTANT TRUST
OFFICER.

STATE OF TEXAS)
COUNTY OF RANDALL) SS.

I, RHEA RAINES, being first duly sworn upon my oath, state:

I am the Vice-President and Assistant Trust Officer of The American National Bank of Amarillo, applicant in the above styled and numbered cause; that I have read and understand the contents of the foregoing Application for Ancillary Letters of Administration and the facts therein alleged are true and correct.

Rhea Raines
RHEA RAINES

SUBSCRIBED AND SWORN to before me this the 10th day of May, A.D., 1965.

My Commission Expires:
June 1, 1965.

Donald E. Johnson
NOTARY PUBLIC

JWN/b

LETTERS OF ADMINISTRATION

THE STATE OF TEXAS.

IN COUNTY COURT,

County of RandallRandall County, Texas

I, the Undersigned Clerk of the County Court of
Randall County, Texas, do hereby certify that on the 19th
day of April, A. D. 1965, The American National Bank of
Amarillo
was duly granted by said Court Letters of Administration upon the Estate
of Dorothy R. Price, deceased,
and that he qualified as such on the 19th day of April
A. D. 1965 as the law requires, and that said appointment is still in full
force and effect.

Given under my hand and seal of office at Canyon, Texas, the29th day of April, A. D. 1965

(Seal)

T. H. Lair

Clerk,

County Court Randall County, Texas.By V. Byars Deputy.

NO. 1697

(In Probate)

IN THE MATTER OF THE ESTATE | IN THE COUNTY COURT OF
OF DOROTHY R. PRICE, DECEASED | RANDALL COUNTY, TEXAS

APPLICATION FOR LETTERS
OF ADMINISTRATION

TO THE HONORABLE JUDGE OF SAID COURT:

Now comes W. W. WELLMAN, hereinafter styled applicant
and respectfully shows the Court as follows:

I

That your applicant resides in Topeka, Shawnee County,
Kansas, and resides at 1181 College Avenue, Topeka, Kansas.

II

That on the 1st day of April, 1965, DOROTHY R. PRICE
died in Amarillo, Randall County, Texas, intestate, and at and
before her death the said DOROTHY R. PRICE resided, having her
domicile and fixed place of residence, in Randall County, Texas.

III

That at the time of her death the said DOROTHY R.
PRICE was seized of and possessed certain interests in real and
personal property of a probable value of \$100,000.00.

IV

That there is a necessity for administration of the
estate of DOROTHY R. PRICE, the Decedent, because there are in
excess of two debts owed by the estate of the said DOROTHY R.
PRICE, the exact nature and extent of which are not now known
by your applicant.

V

That during her lifetime the Decedent was twice
married; the first marriage was terminated by divorce and the
second marriage was terminated by the death of her second hus-
band, William N. Price, in October, 1964. That no child or
children were born to or adopted by DOROTHY R. PRICE during her

lifetime and the only heirs of the said DOROTHY R. PRICE,
Deceased, are:

Name	Address	Age	Relationship
W. W. Wellman	1181 College Ave. Topeka, Kansas	92	Father
Mrs. W. W. Wellman	1181 College Ave. Topeka, Kansas	88	Mother

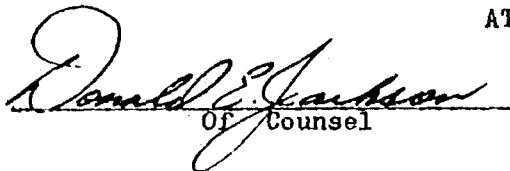
VI

That your applicant is entitled to letters of administration of the Decedent's estate because he is the father of the Decedent, however your applicant and his wife, the only heirs of the Decedent, waive their right to be appointed as Administrators of the Estate of the Decedent in favor of The American National Bank of Amarillo, Amarillo, Texas, a National Bank incorporated under the National Banking Act, and which is authorized to act as a fiduciary in the State of Texas, and which is not otherwise disqualified by law to act as administrator.

WHEREFORE, your applicant prays that citations issue hereon as provided by law, and that upon a hearing letters of administration be issued to The American National Bank of Amarillo, and that such other and further orders be made as to the Court may seem proper.

CULTON MORGAN BRITAIN & WHITE
P. O. Box 189
Amarillo, Texas

ATTORNEYS FOR APPLICANT


Of Counsel

FILED

APR 8 1962


County Clerk, Randall County, Texas

NO. 1697

(In Probate)

IN THE MATTER OF THE ESTATE | IN THE COUNTY COURT OF
OF DOROTHY R. PRICE, DECEASED | RANDALL COUNTY, TEXAS

ORDER GRANTING ADMINISTRATION

On this the 19th day of April, 1965, came on to be heard the application of W. W. WELLMAN for Letters of Administration, filed herein on the 8th day of April, 1965.

And it appearing to the Court that legal notices of filing of said application have been issued and posted in the manner and for the length of time required by law and no one came to contest same; and further that the said DOROTHY R. PRICE died at her home in Randall County, Texas, on the 1st day of April, 1965, where her residence was situated; that four years have not elapsed since her death, prior to said application; that this Court has jurisdiction and venue of the said Estate of DOROTHY R. PRICE; that there is a necessity for administration upon said Estate; that W. W. WELLMAN applicant and ELSIE WELLMAN, his wife, are entitled to Letters of Administration upon the said Estate by law, but both W. W. WELLMAN and ELSIE WELLMAN have filed herein a waiver of their right to be appointed administrator of the said estate and have requested that The American National Bank of Amarillo, Amarillo, Texas, a corporation incorporated under the National Banking Act and authorized to act as a fiduciary in the State of Texas and which is not otherwise disqualified be appointed administrator of the Estate of DOROTHY R. PRICE, Deceased;

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED by the Court that The American National Bank of Amarillo, Amarillo, Texas, is appointed administrator of the Estate of DOROTHY R. PRICE, Deceased; that no bond be required of the said The American National Bank of Amarillo and that W. A. Askew, Neal R. Allen and John B. Holstead, who are discreet and disinterested

persons are appointed appraisers herein and that the Clerk of this Court is directed to issue Letters of Administration to the said The American National Bank of Amarillo when it shall have qualified according to law.

Lloyd King
Judge, County Court of Randall
County, Texas

FILED

APR 19 1965

M. M. Martin
County Clerk, Randall County, Texas

THE STATE OF TEXAS
COUNTY OF RANDALL

I, T. H. Lair, Clerk of the County Court, in and for Randall County, Texas, do hereby certify
that the foregoing is a true and correct copy of Application for Letters of
Administration and Order Granting Administration in Cause # 1697
Styled Estate of Dorothy R. Price, Dec.

as the same appears in Probate Records of Randall County, Texas

On File and soon to be recorded.

Given under my hand and official seal of office, in Canyon, Texas, this the 29th day of
April A. D. 1965.

By R. Lassiter, Deputy

T. H. Lair
Clerk County Court,
Randall County, Texas

IN THE PROBATE COURT OF LEA COUNTY, DEC 1 - 1965

STATE OF NEW MEXICO.

JANE RICE, County Clerk

IN THE MATTER OF THE ESTATE)
OF)
DOROTHY R. PRICE, DECEASED,)
)
THE AMERICAN NATIONAL BANK)
OF AMARILLO,)
)
ANCILLARY ADMINISTRATOR.)

By H. E. B. Deputy

NO. 2611

M27
Pg 562

ORDER DETERMINING HEIRSHIP

NOW on this day the above styled and numbered cause came on to be heard by the Court upon the Petition for Determination of Heirship and the Court, after being fully advised in the premises, finds:

1. That The American National Bank of Amarillo, Amarillo, Texas, by and through its Vice-President and Assistant Trust Officer, Rhea Raines, the duly appointed Administrator of the Estate of Dorothy R. Price, Deceased, has filed its Petition for Determination of Heirship in said estate. That notice of hearing the Determination of Heirship has been published in the time and manner provided by law and that all of the heirs of Dorothy R. Price have entered their appearances in said proceedings.

2. That Dorothy R. Price died intestate on or about April 1, 1965, in Amarillo, Texas, and the following are the only persons owning an interest in and to the property belonging to the said Dorothy R. Price, Deceased, in the respective interests set opposite their names:

W. W. Wellman, father
1181 College Avenue,
Topeka, Kansas - an undivided 1/2

Elsie Wellman, mother
1181 College Avenue,
Topeka, Kansas - an undivided 1/2.

That the above named persons are the sole and only heirs at law of Dorothy R. Price, Deceased, and are the only persons having

any interest in and to the property belonging to the estate and are the only persons entitled to distribution of the assets and property belonging to said estate.

IT IS, THEREFORE, CONSIDERED AND ORDERED BY THE COURT That the following are the only persons owning an interest in and to the property belonging to the said Dorothy R. Price, Deceased, in the respective interests set opposite their names:

W. W. Wellman - an undivided 1/2

Elsie Wellman - an undivided 1/2,

and that said persons are the sole and only heirs of Dorothy R. Price, Deceased, and are the only persons entitled to distribution of the assets of her estate.

DONE in open court at Lovington, New Mexico.

Chas. Harrison
PROBATE JUDGE

ABSTRACTERS CERTIFICATE

STATE OF NEW MEXICO)
) SS
COUNTY OF LEA)

The Lovington Abstract Company, a New Mexico Corporation, hereby certifies that the foregoing sheets numbered consecutively from one to forty-seven both inclusive are a complete abstract of Oil and Gas Lease, Assignment of Oil and Gas Lease where interest in Overriding Royalty was reserved, all Assignments of Overriding Royalty, Docket and certain papers in the Estate of L. M. Price, Deceased Probate Case No. 1503, Certified Copy of Court Proceedings In the Matter of the Guardianship of Bertie Noland Price, an Incompetent, Notice of Administration In the Matter of the Estate of William Nolen Price, Deceased, Docket and certain papers in the Estate of William Noland Price, Deceased Probate Case No. 2577, Docket and certain papers in the Estate of Dorothy R. Price, Deceased, Probate Case No. 2611, affecting the title to the following described real estate, located in Lea County, New Mexico, to-wit:

Northeast Quarter (NE $\frac{1}{4}$) Section Seven (7), Township
Nineteen South (19S), Range Thirty-two East (32E),
N.M.P.M.,

as the same appears from the Records and Filings in the office of the County Clerk of Lea County, New Mexico, including District and Probate Court Proceedings.

Witness the signature of said Company, signed by its duly authorized officer, and its corporate seal hereon impressed, this the 29th day of March 1966 at eight o'clock a.m.

LOVINGTON ABSTRACT COMPANY

By:

M. L. Linsbaugh
Secretary

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. 3376
Order No. R-3061

APPLICATION OF T. E. BROWN, JR.,
AND CLAUDYNE BROWN THORP FOR
COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on April 13, 1966, at Hobbs, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 2nd day of May, 1966, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, 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 Pan American Petroleum Corporation is the operator of the Greenwood Pre-Grayburg Operating Area Well No. 1, located 660 feet from the North line and 1980 feet from the East line of Section 7, Township 19 South, Range 32 East, NMPM, Lusk-Strawn Pool, Lea County, New Mexico.

(3) That said well has dedicated to it the NE/4 of said Section 7, being a standard 160-acre proration unit for an oil well in the Lusk-Strawn Pool.

(4) That the applicants, T. E. Brown, Jr., and Claudyne Brown Thorp, among others, are owners of certain overriding royalty interests underlying the aforesaid NE/4 of said Section 7; that there are owners of interest in the subject lands who have not agreed to pool their interests.

(5) That the applicants seek an order force pooling all oil and gas mineral interests as to the Lusk-Strawn Pool underlying the NE/4 of said Section 7, with a provision that said pooling should be effective October 10, 1964, the date of first production from the subject lands and said pool.

(6) That in order to prevent waste and to protect correlative rights, and to afford to the owner of each interest in said unit the opportunity to recover or receive without unnecessary expense his just and equitable share of the oil and gas in said pool, the subject application should be approved by pooling all mineral interests, whatever they may be, within said unit. Provided however, that the effective date of such pooling should be the date of entry of this order.

(7) That Pan American Petroleum Corporation should be designated the operator of the subject well and unit.

(8) That all proceeds from production from the subject well which are not disbursed for any reason should be placed in escrow to be paid to the true owner(s) thereof upon demand and proof of ownership.

IT IS THEREFORE ORDERED:

(1) That all oil and gas mineral interests, whatever they may be, in the Lusk-Strawn Pool underlying the NE/4 of Section 7, Township 19 South, Range 32 East, NMPM, Lea County, New Mexico, are hereby pooled to form a 160-acre oil proration unit to be dedicated to the Greenwood Pre-Grayburg Operating Area Well No. 1, located 660 feet from the North line and 1980 feet from the East line of said Section 7.

(2) That Pan American Petroleum Corporation is hereby designated the operator of the subject well and unit.

(3) That all proceeds from production from the subject well which are not disbursed for any reason shall be placed in escrow in Lea County, New Mexico, to be paid to the true owner(s) thereof upon demand and proof of ownership; that the operator shall notify the Commission of the name and address of said escrow agent within 90 days from the date of this order.

(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

-3-

CASE No. 3376


Order No. R-3061

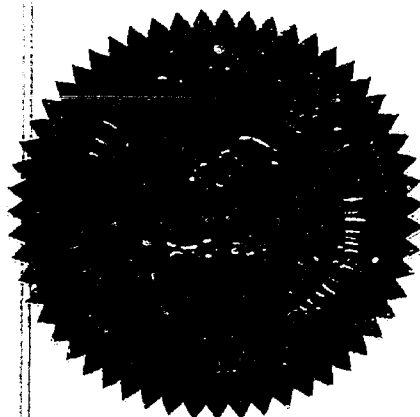
DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JACK M. CAMPBELL, Chairman


GUNTTON B. HAYS, Member


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



esr/

JAN 23 AM 10 56

BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

IN RE. APPLICATION OF T. E. BROWN, JR. AND
 CLAUDYNE BROWN THORP FOR AN ORDER OF THE
 NEW MEXICO OIL CONSERVATION COMMISSION
 POOLING THE OIL AND GAS MINERAL INTERESTS
 AS TO THE LUSK STRAWN OIL POOL UNDERLYING
 LANDS DESCRIBED AS NE $\frac{1}{4}$ OF SECTION 7, TOWNSHIP
 19 SOUTH, RANGE 32 EAST, N.M.P.M., LEA COUNTY,
 NEW MEXICO, EFFECTIVE AS OF THE DATE OF FIRST
 PRODUCTION THEREFROM.

Case No. 3376A P P L I C A T I O N

COME NOW T. E. Brown, Jr. and Claudyne Brown Thorp,
 applicants hereunder, and apply for an Order of the New Mexico Oil
 Conservation Commission pooling the oil and gas mineral interests
 as to the Lusk Strawn Oil Pool underlying lands described as NE $\frac{1}{4}$
 of Section 7, Township 19 South, Range 32 East, N.M.P.M., Lea County,
 New Mexico, said pooling to be effective as of the date of first
 production therefrom, under the authority of and pursuant to the
 provisions of Section 65-3-14, New Mexico Statutes Annotated, 1953
 Compilation, as amended; and, in support of said Application,
 applicants state:

1. The lands involved in this Application are Federal
 lands and are all covered by a single oil and gas lease, to wit,
 United States Oil and Gas Lease Las Cruces Serial No. 071856(b),
 and the royalty payable to the United States under the terms of said
 oil and gas lease is uniform throughout said lands.

2. The record owner of the subject oil and gas lease
 described under Paragraph 1, according to the records maintained by
 the Bureau of Land Management, Department of the Interior, United
 States of America, is Continental Oil Company, and the designated
 operator of the subject lands, according to said records, is Pan
 American Petroleum Corporation.

3. Upon information and belief, the working interest under
 all of the lands involved in this Application has been divided or
 apportioned by agreement or agreements, so that it is owned by the
 following parties in the following respective percentages, to wit:

JAN 23 AM 10 56

BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

IN RE. APPLICATION OF T. E. BROWN, JR. AND
 CLAUDYNE BROWN THORP FOR AN ORDER OF THE
 NEW MEXICO OIL CONSERVATION COMMISSION
 POOLING THE OIL AND GAS MINERAL INTERESTS
 AS TO THE LUSK STRAWN OIL POOL UNDERLYING
 LANDS DESCRIBED AS NE $\frac{1}{4}$ OF SECTION 7, TOWNSHIP
 19 SOUTH, RANGE 32 EAST, N.M.P.M., LEA COUNTY,
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 operator of the subject lands, according to said records, is Pan
 American Petroleum Corporation.

3. Upon information and belief, the working interest under
 all of the lands involved in this Application has been divided or
 apportioned by agreement or agreements, so that it is owned by the
 following parties in the following respective percentages, to wit:

<u>Working Interest Owner</u>	<u>Address</u>	<u>Percentage of Working Interest</u>
Pan American Petroleum Corporation	Oil & Gas Building, Fort Worth, Texas.	27.95046%
Continental Oil Company	P. O. Drawer 1267, Ponca City, Oklahoma.	35.83813%
Shell Oil Company	P. O. Box 2099, Houston, Texas.	28.32373%
Cities Service Oil Company	Bartlesville, Oklahoma.	7.88767%

Upon information and belief, said working interest ownership is uniform throughout the lands involved in this Application. Applicants do not seek determination of any risk factor, supervision charge, interest charge or other charge of like nature to be imposed against a non-consenting working interest owner.

4. That in addition to the royalty to the United States, the lands involved in this Application are burdened with overriding royalty interests, and said overriding royalty interests are separately owned as to different portions of said lands and are not uniformly owned throughout the lands involved in this Application; and, by reason of said separate and non-uniform ownership, the pooling herein sought is necessary to protect correlative rights. Said overriding royalty interests and the owners thereof, insofar as known to applicants, are as follows:

<u>E&NB of said Section 7</u>		
<u>Name</u>	<u>Address</u>	<u>Overriding Royalty Interest</u>
T. E. Brown, Jr.	Artesia, New Mexico	1/2 of 5%
Claudvne Brown Thorp	1130 Thomas Road, Beaumont, Texas.	1/2 of 5%
<u>W&NB of said Section 7</u>		
T. E. Brown, Jr.	Artesia, New Mexico.	3/32 of 5%
Claudvne Brown Thorp	1130 Thomas Road, Beaumont, Texas.	3/32 of 5%
Paul Terry	Artesia, New Mexico.	1/8 of 5%
Estate of W. H. Price, Deceased *	O. H. Oggin, Administrator, c/o Neal & Neal, P. O. Box 278, Hobbs, New Mexico.	17/32 of 5%

Estate of Bertie Noland Price, an Incompetent Person **

Kathryn Price Murfee,
Guardian,
c/o Murfee & Hoover,
Attorneys at Law,
1609 Bank of the South-
west Building,
Houston, Texas. 77002

10/64 of 5%

(*) Estate of William Noland Price, a/k/as William N. Price, a/k/as W. N. Price, Deceased, who died intestate, is being administered in Case No. 2577 in the Probate Court of Lea County, State of New Mexico, and the names and addresses of the heirs at law of William Noland Price, Deceased, insofar as known to applicants, are: -

<u>Name</u>	<u>Relationship</u>	<u>Address</u>
Patricia Rhen Price Roberson	Daughter	2711 Curtis Drive, Amarillo, Texas.
Kathryn Jean Price Whittenburg	Daughter	730 Amarillo Bldg., Amarillo, Texas.
Lelah Antionette Price Coyle	Daughter	8701 Lakehurst Drive, Oklahoma City, Okla.
William Leslie Price	Son	Fisk Building, Amarillo, Texas.
Estate of Dorothy R. Price, Deceased (1)	Widow (who died subsequent to W. N. Price)	c/o American National Bank of Amarillo, Amarillo, Texas. (Administrator)

(1) Dorothy R. Price was the second wife of W. N. Price, and the children of W. N. Price, above mentioned, were children by W. N. Price's first wife. The Estate of Dorothy R. Price, Deceased, who died intestate, is being administered in Case No. 2611 in the Probate Court of Lea County, State of New Mexico, and the names and addresses of the heirs at law of Dorothy R. Price, Deceased, insofar as known to applicants, are: -

<u>Name</u>	<u>Relationship</u>	<u>Address</u>
W. W. Wellman	Father	1181 College Avenue, Topeka, Kansas.
Mrs. W. W. Wellman	Mother	1181 College Avenue, Topeka, Kansas.

(**) Bertie Noland Price has been judicially declared an incompetent person, and Kathryn Price Murfee appointed Guardian of the estate of said incompetent, as reflected in the file of Case No. 22407 in the District Court of Eddy County, State of New Mexico. McCormick, Lusk, Paine and Feezer, Carlsbad, New Mexico, are the New Mexico attorneys for the Guardian.

That all of the above named natural persons are over the age of 21 years and none of them have been judicially declared incompetent except for Bertie Noland Price.

5. That in addition to the parties heretofore named, Kern Oil Company, 711 First National Bank Building, Tulsa, Oklahoma, reserved

an interest in the nature of a production payment of and from a percentage of the working interest now owned by Cities Service Oil Company (as set forth under Paragraph 3 hereinabove), and the same has been mortgaged to Chase Manhattan Bank, Chase Manhattan Plaza, New York, New York, but applicants believe that said production payment is payable of and from a uniform percentage and is uniformly owned throughout the subject lands.

6. That the United States Geological Survey Office, Roswell, New Mexico, is in charge of the records as to leases issued by the United States on Federal lands which are producing, and said office is the proper office to be served with this Application and any Notice of hearing thereon as to the interest of the United States.

7. That, within the proper limits of its jurisdiction and authority, and in the proper exercise of its powers, under its duty to prevent waste, the New Mexico Oil Conservation Commission established a proration unit of 160 acres for the Lusk Strawn Oil Pool, such being the area that can be efficiently and economically drained and developed by one (1) well, such determination being expressly authorized by Section 65-3-14(b), 1953 N.M.S.A.; and properly determined allowables have been assigned to wells located upon such 160 acre proration units. Commission Order No. R-2175-B dated April 4, 1962 established 160 acre proration units for the Lusk Strawn Oil Pool, and the lands in this Application were included within the horizontal limits of the Lusk Strawn Oil Pool by Commission Order No. R-2760 effective September 1, 1964. All of said determinations by the New Mexico Oil Conservation Commission were and are proper for the prevention of waste.

8. That the lands involved in this Application are within and make up the 160 acre proration unit for Pan American Petroleum Corporation's Well No. 1 Greenwood Pre-Grayburg located in the NW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 7, Township 19 South, Range 32 East, N.M.P.M., completed in the Strawn Formation, Pan American Petroleum Corporation, as operator, having dedicated said lands on August 14, 1964 as the 160 acre proration

unit for said well. Said well has been issued a top allowable based upon the subject lands as a 160 acre proration unit. First oil produced from said well from the Strawn Formation under an allowable was run October 10, 1964.

9. That the owners of interests separately owned under the subject lands, which are embraced within a single proration unit, have not agreed to pool their interests and develop said lands as a unit.

10. That the pooling herein sought, being pooling of interests under a proration unit established by the New Mexico Oil Conservation Commission in the legitimate and proper exercise of its powers to prevent waste, is necessary to protect correlative rights and to afford to the owner of each interest under said proration unit the opportunity to produce, recover and realize said owner's just and equitable share of the oil and/or gas in the Lusk Strawn Pool, so far as the same can be practicably obtained without waste.

11. That upon information and belief, sufficient proceeds from the production to be attributable to the overriding royalty interests under the subject lands, which are the only interests separately owned and not uniformly owned throughout the subject lands, have been held in suspense by the purchasers of production and have never been paid since first production on October 10, 1964.

WHEREFORE, applicants T. E. Brown, Jr. and Claudyne Brown Thorp request a hearing before an examiner and request that the New Mexico Oil Conservation Commission enter its Order pooling the oil and gas mineral interests as to the Lusk Strawn Oil Pool underlying NE $\frac{1}{4}$ of Section 7, Township 19 South, Range 32 East, N.M.P.M., Lea County, New Mexico, effective October 10, 1964, the date of first production from the subject lands and said pool.

WATSON & WATSON

By

Fred A. Watson
Attorneys for Applicants,
P. O. Drawer E,
Artesia, New Mexico.

Page No. /

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

Fred A. Watson, being duly sworn upon oath, states:

That he is one of the attorneys for applicants T. E. Brown, Jr. and Claudyne Brown Thorp, and that he has read the foregoing Application of T. E. Brown, Jr. and Claudyne Brown Thorp for an Order of the New Mexico Oil Conservation Commission pooling the oil and gas mineral interests as to the Lusk Strawn Oil Pool underlying lands described as NE $\frac{1}{4}$ of Section 7, Township 19 South, Range 32 East, N.M.P.M., Lea County, New Mexico, effective as of the date of first production therefrom, and knows the contents thereof, and the matters and things therein set forth are true and correct, according to his best knowledge, information and belief, and the addresses shown in said Application for all of the persons and/or parties alleged to have an interest in the premises are the last known addresses, known to applicants, of said persons and parties.

Fred A. Watson
Fred A. Watson

SUBSCRIBED AND SWORN to before me this 27th day of
January, 1966.

My Commission Expires:

Oct. 8, 1966

Lela E. Elliott
Notary Public

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. 3094
ORDER NO. R-2760

THE APPLICATION OF THE OIL
CONSERVATION COMMISSION UPON
ITS OWN MOTION FOR AN ORDER
CREATING, ABOLISHING, AND
EXTENDING CERTAIN POOLS IN
CHAVES, EDDY, AND LEA COUNTIES,
NEW MEXICO.

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

Exhibit No. 2

3376

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on August 13, 1964, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 14th day of August, 1964, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, 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 subject matter thereof.

(2) That there is need for the creation of a new pool in Eddy County, New Mexico, for the production of gas from the Pennsylvanian formation, said pool to bear the designation of Dark Canyon-Pennsylvanian Gas Pool. Said Dark Canyon-Pennsylvanian Gas Pool was discovered by Union Oil Company of California, Dark Canyon State No. 1, located in Unit J of Section 30, Township 23 South, Range 25 East, NMPM. It was completed in Pennsylvanian on May 13, 1964. The top of perforations is 9255 feet.

(3) That there is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Bone Springs formation, said pool to bear the designation of South Lea-Bone Springs Pool. Said South Lea-Bone Springs Pool was discovered by Shell Oil Company, Federal "L" No. 1, located in Unit F of Section 25, Township 20 South, Range 34 East, NMPM. It was completed in Bone Springs on May 28, 1964. The top of perforations is 10,064 feet.

(4) That there is need for the creation of a new pool in Chaves County, New Mexico, for the production of oil from the San Andres formation, said pool to bear the designation of Race Track-San Andres Pool. Said Race Track-San Andres Pool was discovered by Daniel W. Varel, Avalanche Journal No. 1, located in Unit N of Section 18, Township 10 South, Range 28 East, NMPM. It was completed in San Andres on March 20, 1964. The top of perforations is 2186 feet.

(5) That there is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Wolfcamp formation, said pool to bear the designation of East Vacuum-Wolfcamp Pool. Said East Vacuum-

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CASE NO. 3094
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Wolfcamp Pool was discovered by Texas Pacific Oil Company, State "AF" No. 3, located in Unit L of Section 8, Township 18 South, Range 35 East, NMPM. It was completed in Wolfcamp on May 6, 1964. The top of perforations is 9883 feet.

(6) That there is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Bone Springs formation, said pool to bear the designation of Wilson-Bone Springs Pool. Said Wilson-Bone Springs Pool was discovered by The British American Oil Producing Company, North Wilson Deep Unit No. 1, located in Unit O of Section 31, Township 20 South, Range 36 East, NMPM. It was completed in Bone Springs on June 6, 1964.

(7) That there is need for the consolidation of the South Hare-Simpson Pool and the Hare-Simpson Pool, Lea County, New Mexico, inasmuch as the pools produce from the same formation. Said consolidation to be accomplished by the abolishment of the South Hare-Simpson Pool and extension of the Hare-Simpson Pool.

(8) That there is need for certain extensions to the Linda-San Andres Pool in Chaves County, New Mexico, the Artesia Pool, and the Tamano-San Andres Pool, both in Eddy County, New Mexico, the North Bagley-Upper Pennsylvanian Pool, the Bough-San Andres Gas Pool, the South Double A-Abo Pool, the Flying "M"-San Andres Pool, the Lusk-Strawn Pool, the Mescalero-San Andres Pool, the Pearl-Queen Pool, and the Vacuum-Glorieta Pool, all in Lea County, New Mexico.

IT IS THEREFORE ORDERED:

(a) That a new pool in Eddy County, New Mexico, classified as a gas pool for Pennsylvanian production, is hereby created and designated as the Dark Canyon-Pennsylvanian Gas Pool, consisting of the following described area:

TOWNSHIP 23 SOUTH, RANGE 25 EAST, NMPM
SECTION 30: All

(b) That a new pool in Lea County, New Mexico, classified as an oil pool for Bone Springs production, is hereby created and designated as the South Lea-Bone Springs Pool, consisting of the following described area:

TOWNSHIP 20 SOUTH, RANGE 34 EAST, NMPM
SECTION 25: NW/4

(c) That a new pool in Chaves County, New Mexico, classified as an oil pool for San Andres production, is hereby created and designated as the Race Track-San Andres Pool, consisting of the following described area:

TOWNSHIP 10 SOUTH, RANGE 28 EAST, NMPM
SECTION 18: SE/4 SW/4

(d) That a new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production, is hereby created and designated as the East Vacuum-Wolfcamp Pool, consisting of the following described area:

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM
SECTION 8: SW/4

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CASE NO. 3094
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(e) That a new pool in Lea County, New Mexico, classified as an oil pool for Bone Springs production, is hereby created and designated as the Wilson-Bone Springs Pool, consisting of the following described area:

TOWNSHIP 20 SOUTH, RANGE 36 EAST, NMPM
SECTION 31: SE/4

(f) That the South Hare-Simpson Pool in Lea County, New Mexico, consisting of the following described area:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
SECTION 9: SE/4
SECTION 15: S/2 and NW/4
SECTION 16: NE/4
SECTION 22: N/2

is hereby abolished.

(g) That the Hare-Simpson Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
SECTION 9: SE/4
SECTION 15: S/2 and NW/4
SECTION 16: NE/4
SECTION 22: N/2

(h) That the Artesia Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM
SECTION 36: NE/4 NE/4

(i) That the North Bagley-Upper Pennsylvanian Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 11 SOUTH, RANGE 33 EAST, NMPM
SECTION 10: NW/4

(j) That the Bough-San Andres Gas Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 9 SOUTH, RANGE 35 EAST, NMPM
SECTION 12: SW/4
SECTION 13: N/2

(k) That the South Double A-Abo Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 17 SOUTH, RANGE 36 EAST, NMPM
SECTION 20: SW/4 SW/4
SECTION 29: W/2 NW/4

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CASE NO. 3094
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(l) That the Flying "M"-San Andres Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 9 SOUTH, RANGE 33 EAST, NMPM
SECTION 20: E/2
SECTION 21: S/2

(m) That the Linda-San Andres Pool in Chaves County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 6 SOUTH, RANGE 26 EAST, NMPM
SECTION 33: W/2 NE/4 and SE/4
SECTION 34: W/2 SW/4

TOWNSHIP 7 SOUTH, RANGE 26 EAST, NMPM
SECTION 4: W/2 NE/4 and W/2
SECTION 5: E/2 SE/4

(n) That the Lusk-Strawn Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM
SECTION 6: SE/4
SECTION 7: E/2
SECTION 21: NW/4
SECTION 31: NE/4
SECTION 33: NW/4

(o) That the Mescalero-San Andres Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 10 SOUTH, RANGE 32 EAST, NMPM
SECTION 11: SE/4

(p) That the Pearl-Queen Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM
SECTION 25: S/2 NW/4

TOWNSHIP 20 SOUTH, RANGE 35 EAST, NMPM
SECTION 10: NE/4 NW/4

(q) That the Tamano-San Andres Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 17 SOUTH, RANGE 31 EAST, NMPM
SECTION 36: SW/4 SW/4

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CASE NO. 3094
ORDER NO. R-2760

(r) That the Vacuum-Glorieta Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM
SECTION 30: NW/4
SECTION 34: S/2 NW/4

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM
SECTION 5: NW/4
SECTION 6: NW/4

IT IS FURTHER ORDERED:

That the effective date of this order and all creations, abolishments, and extensions included herein shall be September 1, 1964.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JACK M. CAMPBELL, Chairman


E. S. WALKER, Member

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

S E A L

DRAFT

DSN/esr
April 20, 1966

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. 3376

Order No. R- 3061

APPLICATION OF T. E. BROWN, JR.,
AND CLAUDYNE BROWN THORP FOR
COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on
April 13, 1966, at ~~Schubert~~ Hobbs, New Mexico, before the Oil Conser-
vation Commission of New Mexico, hereinafter referred to as the
"Commission."

NOW, on this 13 day of April, 1966, the Commission,
a quorum being present, having considered the testimony presented
and the exhibits received at said hearing, 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 Pan American Petroleum Corporation is the operator
of the Greenwood Pre-Grayburg Operating Area Well No. 1, located
660 feet from the North line and 1980 feet from the East line of
Section 7, Township 19 South, Range 32 East, NMPM, Lusk-Strawn
~~Pool~~ Pool, Lea County, New Mexico.

(3) That said well has dedicated to it the NE/4 of said
Section 7, being a standard 160-acre proration unit for an oil
well in the Lusk-Strawn Pool.

(4) That the applicants, T. E. Brown, Jr., and Claudyne
Brown Thorp, among others, are owners of certain overriding
royalty interests underlying the aforesaid NE/4 of said Section 7;
all or part of

that there are owners of interest in the subject lands who have not agreed to pool their interests.

(5) That the applicants seek an order force pooling all oil and gas mineral interests as to the Lusk-Strawn ~~(Oil)~~ Pool underlying the NE/4 of said Section 7, with a provision that said pooling should be effective October 10, 1964, the date of first production from the subject lands and said pool.

(6) That in order to prevent waste and to protect correlative rights, and to afford to the owner of each interest in said unit the opportunity to recover or receive without unnecessary expense his just and equitable share of the oil and gas in said pool, the subject application should be approved by pooling all mineral interests, whatever they may be, within said unit. Provided however, that the effective date of such pooling should be the date of entry of this order.

(7) That Pan American Petroleum Corporation should be designated the operator of the subject well and unit.

(8) That all proceeds from production from the subject well which are not disbursed for any reason should be placed in escrow to be paid to the true owner(s) thereof upon demand and proof of ownership.

IT IS THEREFORE ORDERED:

(1) That all ^{oil and gas} mineral interests, whatever they may be, in the Lusk-Strawn ~~(Oil)~~ Pool underlying the NE/4 of Section 7, Township 19 South, Range 32 East, NMPM, Lea County, New Mexico, are hereby pooled to form a 160-acre oil proration unit to be dedicated to the Greenwood Pre-Grayburg Operating Area Well No. 1, located 660 feet from the North line and 1980 feet from the East line of said Section 7.

(2) That Pan American Petroleum Corporation is hereby designated the operator of the subject well and unit.

(3) That all proceeds from production from the subject well which are not disbursed for any reason shall be placed in escrow in Lea County, New Mexico, to be paid to the true owner^(s) thereof upon demand and proof of ownership; that the operator shall notify the Commission of the name and address of said escrow agent within 90 days from the date of this order.

(4) 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.