Case No.

7165

Application
Transcripts

Small Exhibits

ETC



BRUCE KING

STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION

July 20, 1982

POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87501 (505) 827-2434

Mr. Gary R. Kilpatric Montgomery & Andrews Attorneys at Law P. O. Box 2307 Santa Fe, New Mexico 87504-2307 Case 7/65

Re: Division Order No. R-6649

Dear Mr. Kilpatric:

The time for completing a well under the above order is extended to October 1, 1982.

This extension is necessitated by casing collapse in the Ellenburger while testing.

Yours very truly,

JOE D. RAMEY . Director

JDR/fd

MONTGOMERY & ANDREWS

PROFESSIONAL ASSOCIATION

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RUDOLPH B. SACKS, JR.
JANET MCL. M. KAY
EDWARD F. MITCHELL III
CARRIE L. PARKER
RANDALL GLOVER
RANDALL GLOVER

ATTORNEYS AND COUNSELORS AT LAW

July 12, 1982

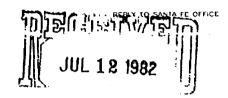
HAND DELIVERED

SANTA FE OFFICE 325 PASEO DE PERALTA POST OFFICE BOX 2307 SANTA FE. NEW MEXICO B7504-2307

> TELEPHONE (505) 982-3873 TELECOPY (505) 982 4289

ALBUQUERQUE OFFICE SUITE 916 FIRST INTERSTATE BANK BUILDING 4TH AND GOLD AVENUE, S.W. POST OFFICE BOX (396) ALBUQUERQUE, NEW MEXICO 87103:1398

TELEPHONE (505) 242-9677



Mr. Joe D. Ramey, Director New Mexico Oil Conservation Division Post Office Box 2088 State Land Office Santa Fe, New Mexico 87501

Re: Amendment of Oil Conservation Division Order No. R-6649

Dear Mr. Ramey:

This firm represents ARCO Oil and Gas Company. 1981, the Oil Conservation Division issued Order No. R-6649 granting ARCO's application in Case No. 7165 for an order pooling all mineral interests in the Ellenberger, Strawn, McKee, and Devonian formations underlying the acreage which was the subject of that application.

On July 2, 1981 ARCO requested an extension of the drilling deadline beyond the August 1, 1981 date set forth in the order. On July 7, 1981 you administratively granted an extension to commence drilling to November 1, 1981. On November 24, 1981 you granted an additional extension to March 16, 1982. Through inadvertence ARCO did not apply for another extension until May 4, 1982. That application was by letter hand-delivered to your office. However, it apparently never reached your desk.

The subject well has been completed, but additional time was required to stimulate, test and place this dual completion well on production. In the process of testing the Ellenberger formation the casing collapsed. ARCO attempted to regain entry into the Ellenberger but ultimately had to squeeze off the casing in that formation. ARCO is presently testing in the McKee formation and plans to have a dual completion in the McKee and the Devonian formations.

Mr. Joe D. Ramey July 12, 1982 Page 2

ARCO will need until September 16, 1982 to dually complete this well. This extension will not prejudice any of the mineral interest owners in the subject well. Therefore ARCO respectfully requests that the Division administratively grant an extension of time in which to complete the well to September 16, 1982.

If anything further is required from ARCO in order for you to act upon this request please advise me.

Very truly yours,

Garly R. Kilpatric

GRK:cs 7748-81-6 cc: H. N. Burton

B. L. Stokely



STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION

November 24, 1981

POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87501 (506) 827-2434

Mr. Gary R. Kilpatric Montgomery & Andrews Box 2307 Santa Fe, New Mexico 87504

Re: Order No. R-6649

Dear Mr. Kilpatric:

As authorized by the above referenced order, the time to complete the well is extended to March 16, 1982.

It is my understanding that drilling delays, caused by an extensive fishing job, would prevent ARCO Oil and Gas Company from completing the well by the January 16, 1982 deadline.

Yours very truly,

JOE D. RAMEY Director

JDR/fd

MONTGOMERY & ANDREWSNOV 1.9 1981

PROFESSIONAL ASSOCIATION SAFALE OFFICE
ATTORNEYS AND COUNSELORS AT ON CONSERVATION 101 1910 1900 2307

SANTA SEPTA FE, NEW MEXICO 87504-2307

TELEPHONE (505) 982-3873

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NANCY M. ANDERSON
RUDOLPH B. SACKS, JR.
JANET MCL. McKAY
EDWARD F. MITCHELL III
ALLEN H. BRILL
CARRIE L. PARKER
RANDALL GLOVER
RANDALL GLOVER
RANDERS N. SANDERS

November 17, 1981

REPLY TO SANTA FE OFFICE

SUITE 916
FIRST INTERSTATE BANK BUILDING
41H AND GOLD AVENUE, S.W.
POST OFFICE BOX 1396
ALBUQUERQUE, NEW MEXICO B7103-1396
TELEPHONE (SOS) 242-9677

Mr. Joe D. Ramey, Director New Mexico Oil Conservation Division Post Office Box 2088 State Land Office Santa Fe, New Mexico 87501

Re: Amendment of Oil Conservation Division Order No. R-6649

Dear Mr. Ramey:

This firm represents ARCO Oil and Gas Company. On April 14, 1981, the Oil Conservation Division issued Order No. R-6649 granting ARCO's application in Case No. 7165 for an order pooling all mineral interests in the Ellenburger, Strawn, McKee, and Devonian formations underlying the acreage which was the subject of that application.

On July 2, 1981 ARCO requested an extension of the drilling deadline beyond the August 1, 1981 date set forth in the order. On July 7, 1981 you administratively granted an extension to commence drilling to November 1, 1981.

ARCO was able to commence drilling and spudded the well on September 16, 1981. However, due to an extensive fishing job which resulted in a delay of 34 days in the drilling of the well ARCO will be unable to complete the well prior to January 16, 1982, or 120 days after the spud date as is required under the provisions of Order R-6649. Therefore, ARCO hereby requests that the Division administratively grant an extension of time in which to complete the well from January 16, 1982 to March 16, 1982. This should provide enough time for normal completion operations on the well.

Mr. Joe D. Ramey November 17, 1981 Page Two

If anything further is required from ARCO in order for you to act upon this request please advise me.

Very truly yours,

Dary R Kilpatrie

GRK:cs 7748-81-6



BRUCE KING GOVERNOR LARRY KEHOE SFORETARY

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

July 7, 1981

POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87501 (505) 827-2434

Montgomery & Andrews Attorneys at Law P. O. Box 2307 Santa Fe, New Mexico 87501

Attention: Mr. Gary R. Kilpatric

Gentlemen:

As authorized by Order No. R-6649, ARCO Oil and Gas Company is given an extension to November 1, 1981, in which to commence drilling a well.

It is my understanding that ARCO has encountered difficulty in obtaining a rig and that one should be available around September 15, 1981.

Yours very truly,

JOE D. RAMEY Director

JDR/fd

MONTGOMERY & ANDRE PROFESSIONAL ASSOCIATION DATE OF CONSERVATION DATE SUITE 916 SANTA FEANK OF NEW MEXICO BUILDING A. K. MONTGOMERY
SETH D. MONTGOMERY
FRANK ANDREWS III
OWEN M. LOPEZ
VICTOR S. ORTEGA
JOHN E. CONWAY
JEFFREY S. BRANNEN
JOHN B. POUND
GARY R. KILPATRIC
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JANET MCL. MCKAY
EDWARD F. MITCHELL III
ALLEN H. BRILL
CARRIE L. PARKER 325 PASEO DE PERALTA 4TH AND GOLD AVENUE, S.W. POST OFFICE BOX 1398 POST OFFICE BOX 2307 SANTA FE, NEW MEXICO 87501 ALBUQUERQUE, NEW MEXICO 87103 TELEPHONE 505-243-3733 TELEPHONE 505-982-3873 TELECOPY 505-982-4289 July 2, 1981 Mr. Joe D. Ramey, Director New Mexico Oil Conservation Division Post Office Box 2088 State Land Office Santa Fe, New Mexico 87501 Amendment of Oil Conservation Division Order No. R-6649 Dear Mr. Ramey: This firm represents ARCO Oil & Gas Company. On April 14, 1981, the Oil Conservation Division issued Order No. R-6649 granting ARCO's application in Case No. 7165 for an order pooling all mineral interests in the Ellenburger, Straus, McGee and Devonian formations underlying the acreage which was the subject of that application. The Division's order required that ARCO as operator commence drilling its well on or before August 1, 1981. If the well is not so drilled, the order will expire unless extended by the Division for good cause shown. ARCO has made good faith efforts to secure a drilling rig and to spud its well by August 1, 1981, but it has been unable to do so. ARCO has entered into an agreement with a contractor to deliver a rig on the site on September 15, 1981. ARCO requests that the Division administratively approve an extension of time in which to commence the drilling requirements set forth in the Division's order to February 1, 1982, in order to allow for any unforeseen delays which may occur. As the division has retained jurisdiction in Case 7165 and ARCO has shown good cause for extending the date by which the subject well must be drilled, we request that the extension to February 1, 1982 be administratively granted. Very truly yours any R Kilpathie GRK:c1

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1	STATE OF NEW MEXICO
į	ENERGY AND MINERALS DEPARTMENT
2	OIL CONSERVATION DIVISION
3	STATE LAND OFFICE BLDG. SANTA FE, NEW MEXICO
	8 April 1981
4	EXAMINER HEARING
5	EMMINDA MEMATING
6	IN THE MATTER OF:
7)
	Application of ARCO Oil and Gas)
8	Company for compulsory pooling, Lea) CASE County, New Mexico.) 7165
9)
10	
	BEFORE: Richard L. Stamets
11	
12	
	TRANSCRIPT OF HEARING
13	
14	
	APPEARANCES
15	·
16	
	For the Oil Conservation Ernest L. Padilla, Esq.
17	Division: Legal Counsel to the Division
18	State Land Office Bldg. Santa Fe, New Mexico 37501

For the Applicant:

MR. STAMETS: Call next Case 7165. MR. PADILLA: Application of ARCO Oil and Gas Company for compulsory pooling, Lea County, New Mexico. MR. STAMETS: This case was originally heard March 11th, 1981, and was readvertised for purposes of amending the formations to be pooled. Is there any additional testimony today? There being none, the case will be taken under advisement. (Hearing concluded.)

CERTIFICATE

I, SALLY W. BOYD, C.S.R., DO HEREPY CERTIFY that the foregoing Transcript of Hearing before the Oil Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability.

Takey W. Boyd CSR

Examiner

I do hereby certify that the foregoing is a complete surgery of the proceedings in the Examiner hearing of Case No. 7/65, neard by me on 4-8 1981.

Oil Conservation Division

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STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION STATE LAND OFFICE BLDG. SANTA FE, NEW MEXICO 8 April 1981

EXAMINER HEARING

IN THE MATTER OF:

Application of ARCO Oil and Gas Company for compulsory pooling, Lea) County, New Mexico.

CASE 7165

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

APPEARANCES

For the Oil Conservation Division:

Ernest L. Padilla, Esq. Legal Counsel to the Division State Land Office Bldg. Santa Fe, New Mexico 87501

For the Applicant:

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2	MR. STAMETS: Call next Case 7165.
3	MR. PADILLA: Application of ARCO Oil
4	and Gas Company for compulsory pooling, Lea County, New
5	Mexico.
6	MR. STAMETS: This case was originally
7	heard March 11th, 1981, and was readvertised for purposes of
8	amending the formations to be pooled.
9	Is there any additional testimony today?
10	There being none, the case will be
11	taken under advisement.
12	
13	(Hearing concluded.)
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CERTIFICATE

I, SALLY W. BOYD, C.S.R., DO HEREPY CERTIFY that the foregoing Transcript of Hearing before the Oil Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability.

Sury W. Boyd CSE

I do here a carrier that the foregoing is	
a complete and the propositions in	
me examiner hearing of Case to	,
heard by me on 19	٠.

Oll Conservation Division

BBI ICE KING

STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION

BRUCE KING GOVERNOR LARRY KEHOE SECRETARY

April 15, 1981

POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING BANTA FE, NEW MEXICO 87501 1505) 827-2434

•			-		÷
	Mr. Gary Kilpatric Montgomery & Andrews		Re:	CASE NO. 7165 ORDER NO. R-6649	
	Attorneys at Law Post Office Box 2307	07501		Applicant:	

ARCO Oil and Gas Company

Dear Sir:

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

Yours very truly,

JOE D. RAMEY

Director

Santa Fe, New Mexico 87501

STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT DIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING:

CASE NO. 7165 Order No. R-6649

APPLICATION OF ARCO OIL AND GAS COMPANY FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on March 11 and April 8, 1981, at Santa Fe, New Maxico, before Examiner Richard L. Stamets.

NOW, on this 14th day of April, 1981, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the bremises.

FINDS:

- (1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, ARCO Oil and Gas Company, seeks an order pooling all mineral interests in the Ellenburger, Strawn, McKee, and Devonian formations underlying the N/2 of Section 33, Township 22 South, Range 36 East, NMPM, Langley Field, Lea County, New Mexico.
- (3) That the applicant has the right to drill and proposes to drill a well at a standard location thereon.
- (4) That there are royalty interest owners in the proposed proration unit who have not agreed to pool their interests.
- (5) That to avoid the drilling of unnecessary wells, 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 fair share of the gas in said pool, the subject application should be approved by

#2-Case No. 7165 Order No. R-6649

pooling all mineral interests, whatever they may be, within said

- (6) That the applicant should be designated the operator of the subject well and unit.
- (7) 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 thereof upon demand and proof of ownership.
- (8) That upon the failure of the operator of said pooled unit to commence drilling of the well to which said unit is dedicated on or before August 1, 1981, the order pooling said unit should become null and void and of no effect whatsoever.

IT IS THEREFORE ORDERED:

(1) That all mineral interests, whatever they may be, in the Ellenburger, Strawn, McKee, and Devonian formations underlying the N/2 of Section 33, Township 22 South, Range 36 East, NMPM, Langley Field, Lea County, New Mexico, are hereby pooled to form a standard 320-acre gas spacing and proration unit to be dedicated to a well to be drilled at a standard location thereon.

PROVIDED HOWEVER, that the operator of said unit shall commence the drilling of said well on or before the lat day of August, 1981, and shall thereafter continue the drilling of said well with due diligence to a depth sufficient to test any or all of the above described formations;

PROVIDED FURTHER, that in the event said operator does not commence the drilling of said well on or before the let day of August, 1981, Order (1) of this order shall be null and void and of no effect whatsoever, unless said operator obtains a time extension from the Division for good cause shown.

PROVIDED FURTHER, that should said well not be drilled to completion, or abandonment, within 120 days after commencement thereof, said operator shall appear before the Division Director and show cause why Order (1) of this order should not be rescinded.

- (2) That ARCO Oil and Gas Company 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 immediately be placed in escrow in Lea County, New Mexico, to be paid to

13-Case No. 7165 Order No. R-6649

the true owner thereof upon demand and proof of ownership; that the operator shall notify the Division of the name and address of said escrow agent within 30 days from the date of first deposit with said escrow agent.

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

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

JOE D. RAMEY Director

SEAL

STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION STATE LAND OFFICE BLDG. SANTA FE, NEW MEXICO 11 March 1981 EXAMINER HEARING IN THE MATTER OF: Application of ARCO Oil and Gas for compulsory pooling, Lea County,) CASE 7165 New Mexico. 10 BEFORE: Richard L. Stamets 11 12 TRANSCRIPT OF HEARING 13 14 APPEARANCES 15 16 For the Oil Conservation Ernest L. Padilla, Esq. 17 Legal Counsel to the Division Division: State Land Office Bldg. 18 Santa Fe, New Mexico 87501 19 20 Gary Kilpatric, Esq. For the Applicant: MONTGOMERY & ANDREWS 21

Paseo de Peralta Santa Fe, New Mexico 87501

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2	MR. STAMETS: We'll call next Case 7165
3	MR. KILPATRIC: I have two witnesses in
4	that case.
5	MR. PADILLA: Application of ARCO Oil
6	and Gas Company for compulsory pooling, Lea County, New Mexico.
7	MR. KILPATRIC: One of which has already
8	been sworn and one which needs to be sworn.
9	
10	(Witness sworn.)
11	
12	HUAN PHAM
13	being called as a witness and being previously sworn upon
14	his oath, testified as follows, to-wit:
15	
16	DIRECT EXAMINATION
17	BY MR. KILPATRIC:
18	Q Would you state your name for the record,
19	please?
20	A. My name is Huan Pham.
21	α And you're the same Huan Pham who just
22	testified in Case 7164?
23	A. Yes, sir.
24	MR. KILPATRIC: Are his qualifications
25	acceptable, Mr. Examiner?

ARCO has in the formations indicated?

Yes, sir. ARCO has 25 percent working

24

1 neutron density logs of the same well with the top of the 2 Ellenburger marked at 15,261 feet. The perforation interval 3 is also colored in red. Were Exhibits One through Three prepared by you or under your supervision? Yes, sir, they were. Would you describe for the Examiner what 9 ARCO's drilling plans are for this location? 10 After obtaining the forced pooling order from the Commission, we intend to spud the proposed well as 11 12 soon as possible. 13 We intend to drill the well at the loca-14 tion mentioned above, to a total depth of 16,000 feet and 15 dually complete the well in the Devonian and the Ellenburger. 16 Do you have an opinion as to the volume 17 of gas which will be recovered by this well? 18 The well is expected to recover more A. 19 than a billion cubic feet of gas from each zone. 20 In your opinion will the granting of Q. 21 this application be in the interest of the prevention of 22 waste and the protection of correlative rights, and will it 23 be fair to the royalty interest owners? 24 Yes, in my opinion, it will. 25 MR. KILPATRIC: At this time I move for

	7	
1 2 3	the introduction of Exhibits One through Three. MR. STAMETS: These exhibits will be	
4 5	admitted. MR. KILPATRIC: And I have no further	
6 7 8 9	MR. STAMETS: Mr. Kilpatric, I understance that this needs to be readvertised to include the Straw the McKee, and the Devonian formations, in addition to the	and
10 11	Ellenburger. MR. KILPATRIC: That is correct, Mr.	
12 13	Examiner. MR. STAMETS: Okay. Any other questions of the witness?	Не
14 15		
16 1'	ALLEN G. HARVEY	oath,
1 i	being called as a withess to being called as follows, to-wit: testified as follows, to-wit:	
	DIRECT EXAMINATION	e l
	BY MR. KILPATRIC: Would you state your name, please?	,
	Allen G. Harvey. And would you tell us by whom you 25	're

1 employed and in what capacity? 2 I'm a petroleum landman with ARCO Oil and Gas Company in Midland, Texas. And have you previously testified before the Oil Conservation Division as a petroleum landman? No, I have not. Would you briefly describe your educational background and your professional experience as it re-9 lates to your qualifications as a landman? 10 I have a law degree from the University 11 of New Mexico and I'm a member of the Bar of the State of New 12 Mexico. 13 I've been a petroleum landman for a year 14 and a half with ARCO Oil and Gas Company, which included the 15 in-house training program for the company. 16 MR. KILPATRIC: Mr. Examiner, are the 17 witness' qualifications acceptable? 18 MR. STAMETS: They are. 19 Are you familiar with the ownership of 20 royalty, as well as working interests, in the tract that's 21 the subject of this application? 22 Yes, I am. 23 Are you familiar with the efforts which 24 have been made to seek the commitment of all the interests on 25

1		9
	°E	
2	the tract?	
3	A,	Yes.
4	Õ	Are all the working interest owners com
5	mitted?	
6	A.	Yes, all the working interests have bee
7	committed.	
8	Q.	And let me refer you now to Exhibit
9	what's been marke	d as ARCO's Exhibit Four in this case, and
0	ask you to explai:	n what that exhibit is.
1	A.	Exhibit Four is copies of all of the
2	signature pages o	f the joint operating agreement, signed by
3	the working inter	est owners; and the signed AFE by Monsanto
4	Company, one of t	he working interest owners; the signature
5	page of the JOA a	nd of the AFE by Sun Texas Company is not
6	included, but I'v	e been informed by my company that they
7	have both been si	gned and received by our company.
8	Q.	Okay. Now, is all the acreage within
9	this tract fee la	
20	Α,	Yes.
21		
2	Ω.	Are all the royalty interest owners
	committed?	
23	A.	No, they are not.
24	1	Would you describe for the examiner the

24

Q. Would you describe for the examiner the

efforts which you have made to secure the commitment of the

1	10
2	royalty interest owners and the results which you have ob-
3	tained, and in that regard I refer you to Exhibit Five.
4	A. On February 24th of 1981 a letter was
5	sent to all royalty interest owners requesting them to ratify
6	a pooling agreement and return three copies of the ratification
7	to our office. As of this date approximately 25 percent of
8	the royalty owners have returned copies, signed copies of the
. 9	ratification of the pooling agreement.
10	Q In your opinion do you believe it likely
11	that you will obtain the voluntary commitment of all the
12	royalty interest owners?
13	A. No, I do not, believe so.
14	MR. KILPATRIC: At this time I'd move
15	the admission of Exhibits Four and Five.
16	MR. STAMETS: These exhibits will be
17	admitted.
18	MR. KILPATRIC: And I have no further
19	questions.
20	MR. STAMETS: Any other questions of
21	this witness? He may be excused,
22	Anything further in the case?
23	MR. KILPATRIC: Nothing further.
24	MR. STAMETS: The case then will be re-
25	advertised. It will probably be the first hearing in April.

12.

CERTIFICATE

I, SALLY W. BOYD, C.S.R., DO HEREPY CERTIFY that the foregoing Transcript of Hearing before the Oil Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability.

Sacy W. Boyd C.S.R.

SALLY W. BOYD, C.S.R. Rt. 1 Box 193-B Sunta Fe, New Mexico £7501 Phone (503) 455-7409 ١ŝ

I do hereby certify that the foregoing is a complete that the foregoings in the Erander on the E

Oil Conservation Division

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2	STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION STATE LAND OFFICE BLDG. SANTA FE, NEW MEXICO 11 March 1981	
4	EXAMINER HEARING	
5 6 7 8	IN THE MATTER OF: Application of ARCO Oil and Gas for compulsory pooling, Lea County, New Mexico.	CASE 7165
10	BEFORE: Richard L. Stamets	
12	TRANSCRIPT OF HEARING	
14 15	APPEARANCES	
16 17 18	For the Oil Conservation Ernest L. Padilla Legal Counsel to State Land Office Santa Fe, New Mex	bldg.
19	Cary Kilpatric, E	B q∙
21	For the Applicant: MONTGOMERY & ANDR Paseo de Peralta Santa Fe. New Mex	

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4 No.

1	.
2	MR. STAMETS: We'll call next Case 7165.
3	MR. KILPATRIC: I have two witnesses in
4	that case.
5	MR. PADILLA: Application of ARCO Oil
6	and Gas Company for compulsory pooling, Lea County New Mexico
7	MR. KILPATRIC: One of which has already
8	been sworn and one which needs to be sworn.
9	
10	(Witness sworn.)
11	
12	HUAN PHAM
13	being called as a witness and being previously sworn upon
14	his oath, testified as follows, to-wit:
15	
16	DIRECT EXAMINATION
17	BY MR. KILPATRIC:
18	n Would you state your name for the record
19	please?
20	A. My name is Huan Pham.
21	And you're the same Huan Pham who just
22	testified in Case 7164?
23	A. Yes, sir.
. 24	MR. KILPATRIC: Are his qualifications
25	acceptable, Mr. Examiner?

interest before other working interest owners were committed.

Now I offer you what has been marked for identification as ARCO's Exhibit Number One and ask you to identify that exhibit and explain it.

A. Exhibit Number One is an area map with the proposed 320-acre proration unit outlined in red. The proposed well, colored in red, is located at 660 feet from the north line and 2310 feet from the east line.

Also shown in the dotten line is the existing offset Langlie Deep Unit.

And next I refer you to what has been marked for identification as ARCO Exhibit Number Two and I'll ask you to identify and explain that exhibit.

A Exhibit Number Two is the gamma ray neutron density log of the ARCO Langley Griffin No. 1, directly offset to the north. The well was completed as a dual in the Devonian and the Ellenburger in July, 1980.

This exhibit shows the top of the Devonian marked at 12,328 feet. The perforation interval is colored in red.

And finally I refer you to what has been marked as ARCO Exhibit Number Three and ask you to identify and explain that exhibit.

Exhibit Number Three is the gamma ray

1	6	
2	neutron density logs of the same well with the top of the	
3	Ellenburger marked at 15,261 feet. The perforation interval	
4	is also colored in red.	
5	Q Were Exhibits One through Three prepare	đ
6	by you or under your supervision?	
7	A. Yes, sir, they were.	
8	Q. Would you describe for the Examiner wha	t
9	ARCO's drilling plans are for this location?	
10	A After obtaining the forced pooling orde	Ľ
11	from the Commission, we intend to spud the proposed well as	
12	soon as possible.	
13	We intend to drill the well at the loca	-
14	tion mentioned above, to a total depth of 16,000 feet and	
15	dually complete the well in the Devonian and the Ellenburger	•
16	ρ Do you have an opinion as to the volume	į
17	of gas which will be recovered by this well?	
18	A. The well is expected to recover more	
19	than a billion cubic feet of gas from each zone.	
20	Ω In your opinion will the granting of	
21	this application be in the interest of the prevention of	
22	waste and the protection of correlative rights, and will it	
23	be fair to the royalty interest owners?	
24	A. Yes, in my opinion, it will.	
25	MR. KILPATRIC: At this time I move for	_

7 1 2 the introduction of Exhibits One through Three. MR. STAMETS: These exhibits will be admitted. MR. KILPATRIC: And I have no further questions of the witness. 7 MR. STAMETS: Mr. Kilpatric, I understand now that this needs to be readvertised to include the Strawn, the McKee, and the Devonian formations, in addition to the 10 Ellenburger. 11 MR. KILPATRIC: That is correct, Mr. 12 Examiner. 13 MR. STAMETS: Okay. 14 Any other questions of the witness? He 15 may be excused. 16 17 ALLEN G. HARVEY 18 being called as a witness and being duly sworn upon his oath, 19 testified as follows, to-wit: 20 21 DIRECT EXAMINATION 22 BY MR. KILPATRIC 23 Would you state your name, please? Q, 24 Allen G. Harvey. 25 And would you tell us by whom you're Ç.

_	
1	8
2	employed and in what capacity?
3	A. I'm a petroleum landman with ARCO Oil and
4	Gas Company in Midland, Texas.
5	Q. And have you previously testified before
6	the Oil Conservation Division as a petroleum landman?
7	A. No, I have not.
8	0 Would you briefly describe your educa-
9	tional background and your professional experience as it re-
10	lates to your qualifications as a landman?
11	A. I have a law degree from the University
12	of New Mexico and I'm a member of the Bar of the State of New
13	Mexico.
14	I've been a petroleum landman for a year
15	and a half with ARCO Oil and Gas Company, which included the
16	in-house training program for the company.
17	MR. KILPATRIC: Mr. Examiner, are the
18	witness' qualifications acceptable?
19	MR. STAMETS: They are.
ŽÜ	Are you familiar with the ownership of
21	royalty, as well as working interests, in the tract that's
22	the subject of this application?
23	A. Yes, I am.
24	Are you familiar with the efforts which
25	have been made to seek the commitment of all the interests on
I	

CERTIFICATE

I, SALLY W. BOYD, C.S.R., DO HEREPY CERTIFY that the foregoing Transcript of Hearing before the Oil Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability.

Jacque Bayd C.S.R.

I do hereby certify that the foregoing is a correct of the proceedings in the two a larg of less to.

heard by we can

19.

Oil Conservation Division

SALLY W. BOYD, C.S.R. Rt. 1 Box 193-15 Santa Fc, New Mexico 87201 Phone (503) 455-7409

Dockets Nos. 14-81 and 15-81 are tentatively set for April 22 and May 6, 1981. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING = WEDNESDAY - APRIL 8, 1981

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

The following cases will be heard before Richard L. Stamets, Examiner, or Daniel S. Nutter, Alternate Examiner:

- CASE 7086: (Continued from the January 14, 1981, Examiner Hearing)
 - Application of Blackwood & Nichols Company, Ltd. for designation of a tight formation, San Juan and Rio Arriba Counties, New Mexico. Applicant, in the above-styled cause, seeks the designation of the Pictured Cliffs formation underlying portions of Townships 30 and 31 North, Ranges 6, 7, and 8 West, containing 33,500 acres, more or less, as a tight formation pursuant to Section 107 of the Natural Gas Policy Act and 18 CFR Section 271.701-705.
- CASE 7210: Application of Gulf Oil Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the East Hat Mesa Unit Area, comprising 2197 acres, more or less, of State and Federal lands in Township 21 South, Range 33 East.
- CASE 7211: Application of Gulf Oil Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the North Rock Lake State Unit Area, comprising 2880 acres, more or less, of State land in Township 22 South, Range 35 East.
- Application of Bass Enterprises Production Co. for a dual completion, Eddy County, New Mexico.

 Applicant, in the above-styled cause, seeks approval for the dual completion of its Poker Lake
 Unit Well No. 50 located in Unit C of Section 4, Township 25 South, Range 31 East, to produce gas
 from the Atoka and Wolfcamp formations through the tubing and casing-tubing annulus, respectively.
- Application of Exxon Company USA for a dual completion and downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its J. L. Greenwood Well No. 13 located in Unit L of Section 9, Township 22 South, Range 37 East, to produce oil from the Brunson-Fusselman Pool through tubing and commingled Blinebry and Tubb production through the casing-tubing annulus.
- CASE 7214: Application of Pioneer Production Corporation for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Chacra and Basin-Dakota production in the wellbore of its Dustin Well No. 1E located in Unit J of Section 6, Township 29 North, Range 12 West.
- CASE 7215: Application of Amoco Production Company for an unorthodox gas well location, Eddy County, New Nexico. Applicant, in the above-styled cause, seeks approval for the unorthodox Wolfcamp-Penn location of its Willow Lake Unit Well No. 4Y to be drilled 1980 feet from the South line and 660 feet from the West line of Section 14, Township 24 South, Range 28 East, the S/2 of said Section 14 to be dedicated to the well.
- CASE 7216: Application of Amoco Production Company for downhole commingling, Rio Arriba County, New Mexico.

 Applicant, in the above-styled cause, seeks approval for the downhole commingling of Gallup and Chacon-Dakota production in the wellbore of its Jicarilla 396 Well No. 1 located in the NE/4 of Section 8, Township 23 North, Range 3 West.
- CASE 7217: Application of Harvey E. Yates Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox Morrow location of its Travis Ohio State Com Well No. 1 to be drilled 660 feet from the South and West lines of Section 13, Township 18 South, Range 28 East, the S/2 of said Section 13 to be dedicated to the well.
- CASE 7218: Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox Wolfcamp-Penn location of its Federal "BQ" Well No. 7 to be drilled 660 feet from the North line and 990 feet from the West line of Section 27, Township 17 South, Range 25 East, the N/2 of said Section 27 to be dedicated to the well.
- CASE 7165: (Readvertised)

Application of ARCO Oil and Gas Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Ellenburger, Strawn, McKee, and Devonian formations, Langley Field, underlying the N/2 of Section 33, Township 22 South, Range 36 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

- CASE 7219: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating and extending certain pools in Chaves, Eddy, Lea, and Roosevelt Counties, New Mexico:
 - (a) CREATE a new pool in Roosevelt County, New Mexico, classified as a gas pool for San Andres production and designated as the North Bluitt-San Andres Gas Pool. The discovery well is Holly Energy, Inc. Holly 27 Federal Well No. 1 located in Unit J of Section 27, Township 7 South, Range 37 East, NNPM. Said pool would comprise:

TOWNSHIP 7 SOUTH, RANGE 37 EAST, NMPM Section 27: SE/4

(b) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the Bootleg Ridge-Morrow Gas Pool. The discovery well is Pogo Production Company NBR Well No. 1 located in Unit J of Section 18, Township 32 South, Range 33 East, NNPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 33 EAST, NMPM Section 18: E/2

(c) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the Bunting Ranch-Morrow Gas Pool. The discovery well is Mitchell Energy Corporation State 36 Well No. 1 located in Unit B of Section 36, Township 9 South, Range 21 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 21 EAST, NMPM Section 36: N/2

(d) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the West LaRica-Morrow Gas Pool. The discovery well is Sun Oil Company Pennzoil Federal Com Well No. 1 located in Unit J of Section 29, Township 18 South, Range 34 East, NNPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM Section 29: E/2

(e) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the Pronghorn-Morrow Gas Pool. The discovery well is Yates Petroleum Corporation Pronghorn Unit Well No. 1 located in Unit G of Section 6, Township 23 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 33 EAST, NMPM Section 6: N/2

(f) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the Scharb-Wolfcamp Pool. The discovery well is Southland Royalty Company Scharb "4" Well No. 2 located in Unit F of Section 4, Township 19 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 35 EAST, NMPM Section 4: NW/4

(g) CREATE a new pool in Chaves County, New Mexico, classified as a gas pool for Morrow production and designated as the Springer Basin-Morrow Gas Pool. The discovery well is Yates Petroleum Corporation Phillips KH Federal Com Well No. 1 located in Unit H of Section 23, Township 14 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 14 SOUTH, RANGE 27 EAST, NMPM Section 14: E/2 Section 23: E/2

(h) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Mississippian production and designated as the North Townsend-Mississippian Gas Pool. The discovery well is U.S. Operating, Inc. Leavelle Well No. 1 located in Unit B of Section 23, Township 16 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM Section 23: N/2

(i) EXTEND the Bowers-Seven Rivers Pool in Les County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 38 EAST, NMPM Section 4: SE/4

(j) EXTEND the Boyd-Morrow Cas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANCE 24 EAST, NMPM Section il: E/2 Section 14: N/2

(k) EXTEND the Brunson-Fusselman Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM Section 9: SW/4

(1) EXTEND the North Burton Flats-Wolfcamp Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM Section 11: E/2 Section 12: W/2

(m) EXTEND the Carson-Morrow Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 31 EAST, NMPM Section 10: S/2 Section 15: N/2

(n) EXTEND the Cato-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 30 EAST, NMPM Section 18: NE/4

(o) EXTEND the Chaveroo-San Andres Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 7 SOUTH, RANGE 32 EAST, NMPM Section 27: SW/4

(p) EXTEND the Comanche Stateline Tansill-Yates-Seven Rivers-Queen Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 26 SOUTH, RANGE 36 EAST, NNPM Section 22: SW/4

(q) EXTEND the South Corbin-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM Section 33: W/2 and SE/4

(r) EXTEND the Crooked Creek-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 24 EAST, NMPM Section 17: N/2

(s) EXTEND the Crow Flats-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 28 EAST, NNPM Section 19: S/2 Section 30: W/2

(t) EXTEND the Drinkard Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 36 EAST, NMPM Section 13: NW/4

(u) EXTEND the South Empire-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM Section 13: S/2
Section 24: E/2

(v) EXTEND the East Grama Ridge-Norrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 34 EAST, NMPM Section 25: S/2

(w) EXTEND the Henshaw Queen-Grayburg-San Andres Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 31 EAST, NMPM Section 19: NN/4 NN/4

(x) EXTEND the Hoag Tank-Norrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM Section 16: All

(y) EXTEND the Indian Basin-Upper Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 23 EAST, NMPM Section 30: All

(z) EXTEND the Indian Flats-Delaware Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 28 EAST, NNPM Section 35: SW/4 SE/4

(aa) EXTEND the Kemnitz-Cisco Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM Section 15: NW/4 Section 16: NE/4

(bb) EXTEND the Northeast Lusk-Yates Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM Section 15: NW/4

(cc) EXTEND the West Malaga-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 28 EAST, NMPM Section 4: All

(dd) EXTEND the Monument-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 36 EAST, NMPM Section 2: N/2

(ee) EXTEND the Penasco Draw San Andres-Yeso Associated Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM Section 31: SE/4 SW/4

(ff) EXTEND the South Peterson-Pennsylvanian Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 6 SOUTH, RANGE 33 EAST, NMPM Section 11: NE/4

(gg) EXTEND the Race Track-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 10 SOUTH, RANGE 28 EAST, MMPM Section 19: S/2 NE/4 and SE/4

(hh) EXTEND the Richard Knob Atoka-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 25 EAST, NMPM Section 3: W/2

Section 4: N/2

(ii) EXTEND the West Sand Dunes-Norrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 31 EAST, NMPM Section 21: S/2

Section 28: N/2

(jj) EXTEND the Scoggin Draw-Morrow Cas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 27 EAST, NMPM

Section 3: W/2

Section 4: All

Section 10: W/2

(kk) EXTEND the East Terry-Blinebry Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 39 EAST, NMPM Section 31: N/2

(11) EXTEND the Tomahawk-San Andres Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 7 SOUTH, RANGE 32 EAST, NMPM Section 19: SW/4

EXTEND the Tom Tom-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 7 SOUTH, RANGE 31 EAST, NMPM Section 29: SW/4

(nn) EXTEND the Townsend-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM Section 20: N/2

(oo) EXTEND the North Turkey Track-Norrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM

Section 35: All Section 36: S/2

(pp) EXTEND the Vacuum Grayburg-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 36 EAST, NMPM

Section 19: SW/4 Section 29: NW/4

Section 30: N/2

Docket No. 13-81

DOCKET: EXAMINER HEARING - WEDNESDAY - APRIL 15, 1981

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

The following cases will be heard before Daniel S. Nutter, Examiner, or Richard L. Stamets, Alternate Examiner:

- ALLOWABLE: (1) Consideration of the allowable production of gas for May, 1981, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
 - (2) Consideration of the allowable production of gas for May, 1981, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

Dockets Nos. 12-81 and 13-81 are tentatively set for March 25 and April 8, 1981. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - MARCH 11, 1981

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

- The following cases will be heard before Richard L. Stamets, Examiner, or Daniel S. Nutter, Alternate Examiner:
- ALLOWABLE: (1) Consideration of the allowable production of gas for April, 1981, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
 - (2) Consideration of the allowable production of gas for April, 1981, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.
- CASE 7176: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Marjory M. Grier, U. S. Casualty Company of New York, and all other interested parties to appear and show cause why the Red Mountain Wells Nos. 6, 7, and 10, all located in Unit B of Section 29, Township 20 North, Range 9 West, McKinley County, should not be plugged and abandoned in accordance with a Division-approved plugging program.
- CASE 7177: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Henry S. Birdseye and all other interested parties to appear and show cause why the State Well No. 10-2 in Unit C of Section 10, Township 19 North, Range 10 West, McKinley County, should not be plugged and abandoned in accordance with a Division-approved plugging program.
- CASE 1178: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Noland and Wells and all other interested parties to appear and show cause why the Reinhardt Well No. 1 in Unit A of Section 21, Township 29 North, Range 11 West, San Juan County, should not be plugged and abandoned in accordance with a Division-approved plugging program.
- CASE 7179: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit "26" Oil Company and all other interested parties to appear and show cause why the Jackson Well No. 1 in Unit A of Section 21, Township 29 North, Range 11 West, San Juan County, should not be plugged and abandoned in accordance with a Division-approved plugging program.
- CASE 7180: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Vincent and Goodrum and all other interested parties to appear and show cause why the Refinery Hare Well No. 1 in Unit A of Section 21, Township 29 North, Range 11 West, San Juan County, should not be plugged and abandoned in accordance with a Division-approved plugging program.
- CASE 7181: Application of Read & Stevens, Inc. for a unit agreement, Chaves County, New Mexico.

 Applicant, in the above-styled cause, seeks approval for the Hernandez Draw Unit Area, comprising 2,560 acres, more or less, of Federal, State, and Fee lands in Townships 4 and 5 South, Ranges 26 and 27 East.
- CASE 7182: Application of Wiser Oil Company for an unorthodox well location, Lea County, New Mexico.

 Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Downes A
 Well No. 5 to be drilled in the approximate center of the SW/4 of Section 32, Township 21 South,
 Range 37 East, Penrose Skelly Pool.
- CASE 7183: Application of Flag-Redfern Oil Company for an unorthodox gas well location, Lea County, New Mexico.

 Applicant, in the above-styled cause, seeks authority to drill its Osudo St. Com Well No. 2 at an unorthodox location 990 feet from the North and East lines of Section 18, Township 20 South, Range 36 East, North Osudo-Morrow Gas Pool.
- CASE 7147: (Readvertised)

Application of Yates Petroleum Corporation for an unorthodox gas well location and simultaneous dedication, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to test all Pennsylvanian formations to be drilled 1650 feet from the South line and 660 feet from the East line of Section 35, Township 18 South, Range 25 East, the S/2 of said Section 35 to be dedicated to said well and to applicant's "JX" Well No. 2 located in Unit N.

CASE 7184: Application of Harvey E. Yates Company for compulsory pooling, Eddy County, New Mexico.

Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the E/2 of Section 13, Township 17 South, Range 28 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

- CASE 7185: Application of El Paso Exploration Company for downhole commingling, San Juan County, New Mexico.

 Applicant, in the above-styled cause, seeks approval for the downhole commingling of Blanco

 Mesaverde and Basin-Dakota production in the wellbore of its Turner Hughes Well No. 17 located in
 Unit H of Section 10, Township 27 North, Range 9 West.
- CASE 7161: (Continued from February 25, 1981, Examiner Hearing)

Application of John Yuronka for four compulsory poolings, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Langlie Mattix Pool underlying the four 40-acre proration units comprising the SW/4 of Section 31, Township 22 South, Range 37 East, to be dedicated to wells to be drilled at standard locations thereon. Also to be considered will be the cost of drilling and completing said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a charge for risk involved in drilling said wells.

CASE 7164: (Continued from February 25, 1981, Examiner Hearing)

Application of ARCO Oil and Gas Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Devonian and Ellenburger formations, Custer Field, underlying the N/2 of Section 6, Township 25 South, Range 37 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 7165: (Continued from February 25, 1981, Examiner Hearing)

Application of ARCO Oil and Gas Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above styled cause, seeks an order pooling all mineral interests in the Langley-Ellenburger Pool underlying the N/2 of Section 33, Township 22 South, Range 36 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 7175: (Continued from February 25, 1981, Examiner Kearing)

Application of Conoco Inc. for compulsory pooling and a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp-Ellenburger formations underlying the S/2 of Section 19, Township 25 South, Range 37 East, to be dedicated to a well to be drilled at a standard location and dually completed in the Devonian and Ellenburger formations. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

- CASE 7186: Application of Sun Texas Company for salt water disposal, Lea County, New Mexico.

 Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Devonian formation in the interval from 10,856 feet to 11,370 feet in its State C Account 1 Well No. 3 in Unit L of Section 2, Township 12 South, Range 33 East, Bagley Siluro-Devonian Pool.
- CASE 7187: Application of Blackwood & Nichols Co., Ltd. for four non-standard proration units, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of the following four Fruitland and Pictured Cliffs non-standard gas proration units: a 185.68-acre unit comprising the SW/4 of Section 1, Township 31 North, Range 7 West; a 181.4-acre unit comprising the SE/4 of said Section 1; a 176.68-acre unit comprising the SW/4 of Section 6, Township 31 North, Range 6 West; and a 175.21-acre unit comprising the SE/4 of said Section 6. All units are to be dedicated to wells drilled at standard locations thereon.
- CASE 7188: Application of Blackwood & Nichols Co., Ltd. for directional drilling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to directionally drill its Northeast Blanco Unit Well No. 26-A, the surface location of which is 1160 feet from the North line and 60 feet from the West line of Section 8, Township 30 North, Range 7 West, and directionally drill said well in such a manner as to bottom it in the Mesaverde formation within 100 feet of a point 1190 feet from the North line and 790 feet from the West line of said Section 8, the W/2 of the section to be dedicated to the well; applicant further seeks authority to drill its Northeast Blanco Unit Well No. 32-A, the surface location of which is 1450 feet from the North line and 990 feet from the East line of Section 7, Township 30 North, Range 7 West, and directionally drill said well in such a manner as to bottom it in the Mesaverde formation within 100 feet of a point 1850 feet from the South line and 990 feet from the East line of said Section 7, the E/2 of the section to be dedicated to the well.

CASE 7170: (Continued from February 25, 1981, Examiner Hearing)

Application of Threshold Development Company for an NGPA determination, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir determination in the Atoka and Morrow formations for its Conoco 10A State Well No. 1Y in Unit F of Section 10, Township 19 South, Range 29 East.

- Application of Threshold Development Company for an NGPA determination, Eddy County, New Mexico. CASE 7189: Applicant, in the above-styled cause, seeks a new onshore reservoir determination in the Morrow formation for its Conoco 7 State Well No. 1 in Unit N of Section 7, Township 19 South, Range 29
- Application of Threshold Development Company for an NGPA determination, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir determination in the Atoka CASE 7190: formation for its Conoco 10 State Com. Well No. 1 in Unit I of Section 10, Township 19 South, Range
- CASE 7191: Application of Southland Royalty Company for an unorthodox well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location in the Potash-Oil Area of its State "14-A" Com. Well No. 1 1325 feet from the North line and 2303 feet from the East line of Section 14, Township 19 South, Range 29 East, Turkey Track Field.
- Application of Southland Royalty Company for an NGPA determination, Eddy County, New Mexico. CASE 7192: Applicant, in the above-styled cause, seeks a new onshore reservoir determination in the Morrow formation for its Parkway A State Com. Well No. 1 in Unit H of Section 15, Township 19 South, Range 29 East.
- Application of Southland Royalty Company for an NGPA determination, Eddy County, New Mexico. CASE 7193: Applicant, in the above-styled cause, seeks a new onshore reservoir determination in the Atoka and Morrow formations for its State 14 Com. Well No. 1 in Unit E of Section 14, Township 19 South, Range 29 East.
- Application of Southland Royalty Company for an NGPA determination, Eddy County, New Mexico. CASE 7194: Applicant, in the above-styled cause, seeks a new onshore reservoir determination in the Morrow formation for its Parkway State Well No. 1 located in Unit K of Section 15, Township 19 South, Range
- CASE 7195: Application of Southland Royalty Company for an NGPA determination, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir determination in the Atoka and Morrow formations for its State 14 Well No. 1-A in Unit B of Section 14, Township 19 South, Range
- Application of Dinero Operating Company for an unorthodox gas well location, Eddy County, New Mexico. CASE 7196: Applicant, in the above-styled cause, seeks approval for an unorthodox location 1980 feet from the North line and 660 feet from the West line of Section 15, Township 22 South, Range 28 East, Pennsylvanian formation, the N/2 of said Section 15 to be dedicated to the well.
- CASE 7153: (Readvertised)

Application of C & E Operators, Inc. for compulsory pooling and a non-standard proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Mexico formation underlying a 158.54-acre non-standard gas proration unit comprising the SW/4 of Section 8, Township 30 North, Range 11 Nest, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

- CASE 7197: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating and extending vertical and horizontal limits of certain pools in Chaves, Eddy, and Lea Counties, New Mexico:
 - (a) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the Bilbrey-Morrow Gas Pool. The discovery well is Cetty 0il Company Getty 32 State Com Well No. 1 located in Unit G of Section 32, Township 21 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 32 EAST, NMPM Section 32: E/2

(b) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Strawn production and designated as the East Grama Ridge-Strawn Gas Pool. The discovery well is Minerals, Inc. Llano "3" State Com Well No. 1 located in Unit H of Section 3, Township 22 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 34 EAST, NMPM Section 3: E/2

(c) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the Lera-Norrow Gas Pool. The discovery well is John L. Cox Proctor Well No. 1 located in Unit D of Section 7, Township 11 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 11 SOUTH, RANGE 32 EAST, NMPM Section 7: W/2

(d) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the East Triste Draw-Wolfcamp Pool. The discovery well is Getty Oil Company State 29 J Well No. 1 located in Unit J or Section 29, Township 24 South, Range 33 East, NNPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 33 EAST, NMPM Section 29: SE/4

(e) EXTEND the Airstrip-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM Section 36: NW/4

(f) EXTEND the Arkansas Junction-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 37 EAST, NMPM Section 30: NW/4

(g) EXTEND the Bull's Eye-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 28 EAST, NMPM Section 1: SE/4 SW/4

(h) EXTEND the Bunker Hill-Penrose Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 31 EAST, NMPM Section 13: SW/4 SW/4

(i) EXTEND the Chaveroo-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 32 EAST, NMPM Section 10: NE/4

(j) EXTEND the vertical limits of the Comanche Stateline Tansill-Yates-Seven Rivers Pool in Lea County, New Mexico, to include the Queen formation and redesignate said pool to Comanche Stateline Tansill-Yates-Seven Rivers-Queen Pool, and extend the horizontal limits of said pool to include therein:

TOWNSHIP 26 SOUTH, RANGE 36 EAST, NMPM Section 27: SW/4

(k) EXTEND the South Culebra Bluff-Bone Spring Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM Section 26: NW/4 Section 27: S/2 NE/4

(1) EXTEND the Diablo-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 10 SOUTH, RANGE 27 EAST, NMPM Section 22: M/2 SW/4 and SW/4 NW/4 Section 27: NW/4 NW/4

(m) EXTEND the Diamond Nound-Atoka Gas Pool in Eddy and Chaves Counties, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 27 EAST, NMPM Section 34: S/2

TOWNSHIP 16 SOUTH, RANGE 27 EAST, NMPM Section 15: N/2 Section 16: N/2

(n) EXTEND the Diamond Mound-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 28 EAST, NMPN Section 6: Lots 1, 2, 7, 8, 9, 10, 15 and 16

(o) EXTEND the Dublin Ranch-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 28 EAST, NNPM Section 21: E/2 Section 28: All

(p) EXTEND the Happy Valley-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 26 FAST, NMPM Section 8: E/2
Section 9: W/2
Section 16: W/2
Section 17: All

(q) EXTEND the Kemnitz-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM Section 23: W/2

(r) EXTEND the L.E. Ranch-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 10 SOUTH, RANGE 28 EAST, NMPM Section 29: S/2 NW/4
Section 30: S/2 NE/4

(s) EXTEND the Linda-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 6 SOUTH, RANGE 26 EAST, NMPM Section 30: NW/4 SE/4 and SW/4 NE/4

(t) EXTEND the Maljamar Grayburg-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM Section 24: S/2

(u) EXTEND the East Millman-San Andres Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM Section 22: W/2 SE/4
Section 27: NW/4 NE/4 and NE/4 NW/4

(v) EXTEND the Ojo Chiso-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 34 EAST, NMPM Section 14: All

(w) EXTEND the Penasco Draw-Horrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 25 EAST, NNPM Section 30: S/2 Section 31: All

(x) EXTEND the Penasco Draw Permo-Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM Section 2: E/2

(y) EXTEND the Railroad Mountain-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 7 SOUTH, RANGE 28 EAST, NMPM Section 35: SW/4 SW/4

TOWNSHIP 8 SOUTH, RANGE 28 EAST, NMPM Section 2: 3/2 MW/4

(z) EXTEND the East Siete-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 31 EAST, MMPM Section 10: SE/4 Section 11: SW/4

(aa) EXTEND the Twin Lakes-San Andres Associated Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 29 EAST, NMPM Section 32: W/2 SW/4

TOWNSHIP 9 SOUTH, RANGE 28 EAST, NNPM Section 12: N/2 NE/4

TOWNSHIP 9 SOUTH, RANGE 29 EAST, NMPM Section 6: N/2 N/2

(bb) EXTEND the Warren-Drinkard Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM Section 29: SE/4
Section 32: E/2

(cc) EXTEND the Weir-Drinkard Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM Section 15: NE/4

Dockets Nos. 8-81 and 9-81 are tentatively set for March 11 and 25, 1981. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 25, 1981

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

The following cases will be heard before Daniel S. Nutter, Examiner, or Richard L. Stamets, Alternate Examiner:

- CASE 7157: Application of Carl A. Schellinger for a unit agreement, Chaves County, New Mexico.

 Applicant, in the above-styled cause, seeks approval for the Campbell Station Unit Area, comprising 3,841 acres, more or less, of State lands in Townships 8 and 9 South, Range 27 East.
- CASE 7158: Application of Grynberg & Associates for a unit agreement, Chaves County, New Mexico.
 Applicant, in the above-styled cause, seeks approval for the Silman Lake Unit Area, comprising 13,743 acres, more or less, of State and fee lands in Townships 9 and 10 South, Ranges 26 and 27 East.
- CASE 7159: Application of Consolidated Oil & Gas, Inc. for downhole commingling, San Juan County, New Mexico.

 Applicant, in the above-styled cause, seeks approval for the downhole commingling of Greenhorn and Dakota production in the wellbore of its Navajo Well No. 2-E located in Unit C of Section 11, Township 25 North, Range 10 West.
- CASE 7160: Application of Harlan Drilling Company for an unorthodox gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 2370 feet from the North line and 1528 feet from the West line of Section 31, Township 29 North, Range 11 West, Fulcher Kutz-Pictured Cliffs Pool, the NW/4 of said Section 31 to be dedicated to the well.
- CASE 7148: (Continued from February 11, 1981, Examiner Hearing)

Application of Twin Montana Oil Company for a non-standard oil proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an 80-acre Vada-Pennsylvanian oil proration unit comprising the S/2 NE/4 of Section 3, Township 9 South, Range 35 East, to be dedicated to its Webb Federal Well No. 1 located in Unit G of said Section 3.

CASE 7051: (Continued from January 28, 1981, Examiner Hearing)

Application of Petro Lewis Corporation for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Blinebry and Drinkard production in the wellbore of its L. G. Warlick "B" Well No. 2 located in Unit G of Section 19, Township 21 South, Range 37 East.

CASE 7140: (Continued from February 11, 1981, Examiner Hearing)

Application of Yates Petroleum Corporation for compelsory pooling and an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the N/2 of Section 26, Township 21 South, Range 26 East, to be dedicated to a well to be drilled at an unorthodox location 660 feet from the North line and 1650 feet from the East line of said Section 26. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 7149: (Continued from February 11, 1981, Examiner Hearing)

Application of John H. Hendrix Corporation for the extension of the vertical limits of the Langlie Mattix Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the contraction of the vertical limits of the Jalmat Pool and the upward extension of the vertical limits of the Langlie Mattix Pool to a depth of 3362 feet, subsurface, underlying Unit O of Section 19, Township 23 South, Range 37 East.

CASE 7161: Application of John Yuronka for four compulsory poolings, Lea County, New Mexico.

Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Langlie Mattix Pool underlying the four 40-acre proration units comprising the SW/4 of Section 31, Township 22 South, Range 37 East, to be dedicated to wells to be drilled at standard locations thereon. Also to be considered will be the cost of drilling and completing said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a charge for risk involved in drilling said wells.

- CASE 7162: Application of McCulloch Oil & Cas Company for compulsory pooling, Lea County, New Mexico.

 Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the McKee formation underlying the E/2 of Section 25, Township 20 South, Range 38 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7163: Application of ARCO Oil and Gas Company for the extension of the vertical limits of the Langlic Mattix Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the contraction of the vertical limits of the Jalmat Pool and the upward extension of the vertical limits of the Langlic Mattix Pool by 165 feet underlying the NE/4 SE/4 of Section 35, Township 23 South, Range 36 East.
- Application of ARCO Oil and Gas Company for compulsory pooling, Lea County, New Mexico.

 Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Devonian and Ellenburger formations, Custer Field, underlying the N/2 of Section 6, Township 25 South, Range 37 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7165: Application of ARCO Oil and Gas Company for compulsory pooling, Lea County, New Mexico.

 Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Langley-Ellenburger Pool underlying the N/2 of Section 33, Township 22 South, Range 36 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7166: Application of Inexco Oil Company for a unit agreement, Eddy County, New Mexico.

 Applicant, in the above-styled cause, seeks approval for the Chosa Draw Unit Area, comprising 2,560 acres, more or less, of Federal and State lands in Townships 25 and 26 South, Range 25 East.
- CASE 7167: Application of Inexco Oil Company for a unit agreement, Chaves County, New Mexico.

 Applicant, in the above-styled cause, seeks approval for the Made Well Anticline Unit Area, comprising 39,238 acres, more or less, of State, Federal, and fee lands in Townships 12, 13, and 14 South, Ranges 21 and 22 East.
- CASE 7168: Application of Cavalcade Oil Corporation for an exception to Order No. R-3221, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221 to permit disposal of produced brine into an unlined surface pit located in Unit K or L of Section 33, Township 18 South, Range 30 East.
- CASE 7129: (Continued from February 11, 1981, Examiner Hearing)

Application of Koch Exploration Company for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Dakota formation underlying the N/2 of Section 28, Township 28 North, Range 8 West, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

- CASE 7169: Application of Koch Exploration Company for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Dakota formation underlying the S/2 of Section 22, Township 28 North, Range 8 West, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7170: Application of Threshold Development Company for an NGPA determination, Eddy County, New Mexico.

 Applicant, in the above-styled cause, seeks a new onshore reservoir determination in the Atoka and Morrow formations for its Conoco 10A State Well No. 1Y in Unit F of Section 10, Township 19 South, Range 29 East.

CASE 7171: Application of Ziu Energy Inc. for a non-standard gas proration unit, Lea County, New Mexico.

Applicant, in the above-styled cause, seeks approval of a 120-acre non-standard proration unit in the Eugent Gas Pool comprising the SM/4 SE/4 of Section 27, and the N/2 NE/4 of Section 34, Township 20 South, Range 36 East, to be dedicated to its Elliott "A" State Well No. 1 located 660 feet from the South line and 1980 feet from the East line of said Section 27.

Same and the Reserve St. St.

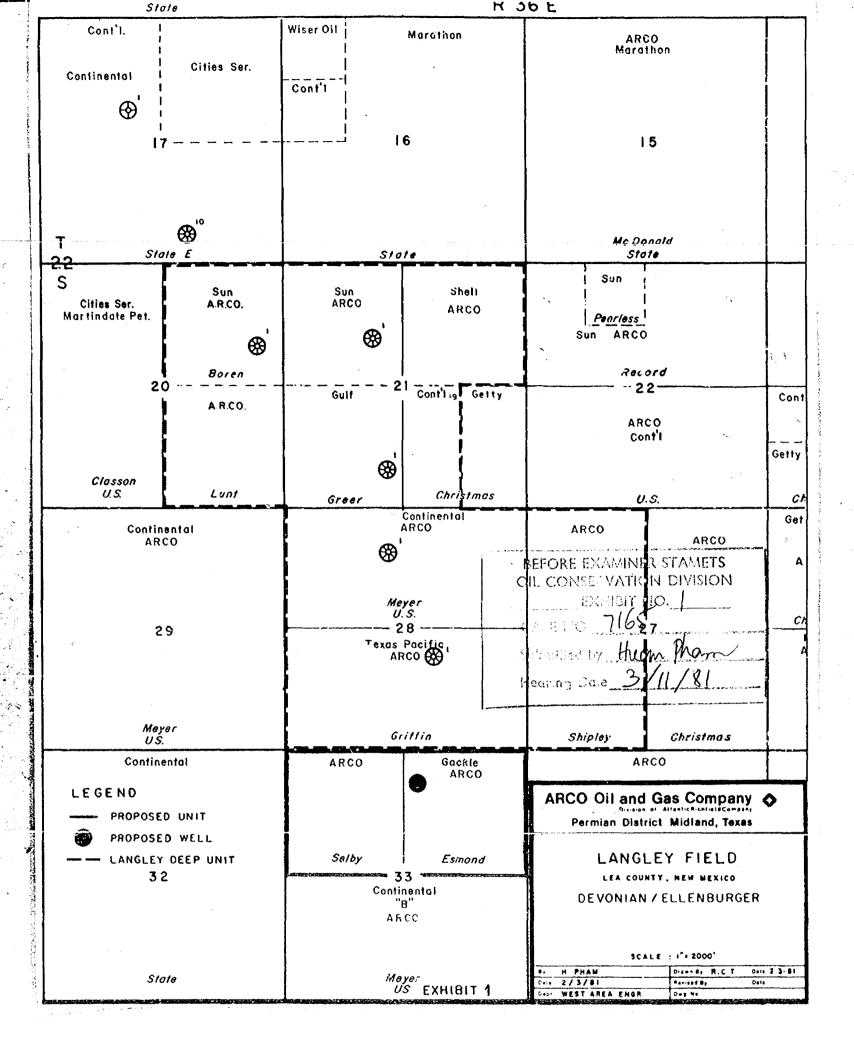
- Application of Caulkins Gil Company for two unorthodox gas well locations, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of the following two wells on its Breech A Lease to be recompleted in the Chacra, Mesaverde, and Dakota formations: No. 157 located 1980 feet from the North line and 650 feet from the West line of Section 10 and No. 629 located 660 feet from the North line and 760 feet from the West line of Section 9, both in Township 26 North, Range 6 West.
- CASE 7173: Application of V-F Petroleum Inc. for an unorthodox well location, Lea County, New Mexico.

 Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 330 feet from the North line and 1150 feet from the East line of Section 5, Township 16

 South, Range 38 East, South Denton-Devonian Pool, the NE/4 NE/4 of said Section 5 to be dedicated to the well.
- CASE 7174: Application of Jake L. Hamon for an unorthodox gas well location, Eddy County, New Mexico.

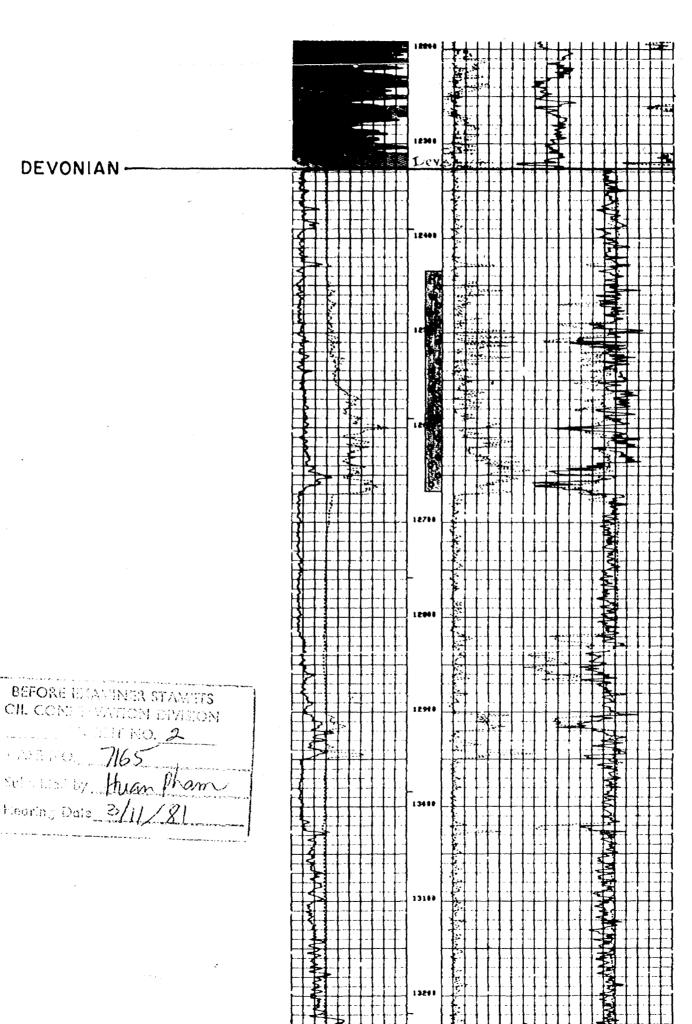
 Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 660 feet from the South and West lines of Section 36, Township 23 South, Range 26 East, South Carlsbad-Morrow Gas Pool, the S/2 of said Section 36 to be decicated to the well.
- CASE 7175: Application of Conoco Inc. for compulsory pooling and a dual completion, Lea County, New Mexico.

 Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the WolfcampEllenburger formations underlying the S/2 of Section 19, Township 25 South, Range 37 East, to be
 dedicated to a well to be drilled at a standard location and dually completed in the Devonian and
 Ellenburger formations. Also to be considered will be the cost of drilling and completing said
 well and the allocation of the cost thereof as well as actual operating costs and charges for
 supervision, designation of applicant as operator of the well, and a charge for risk involved in
 drilling said well.



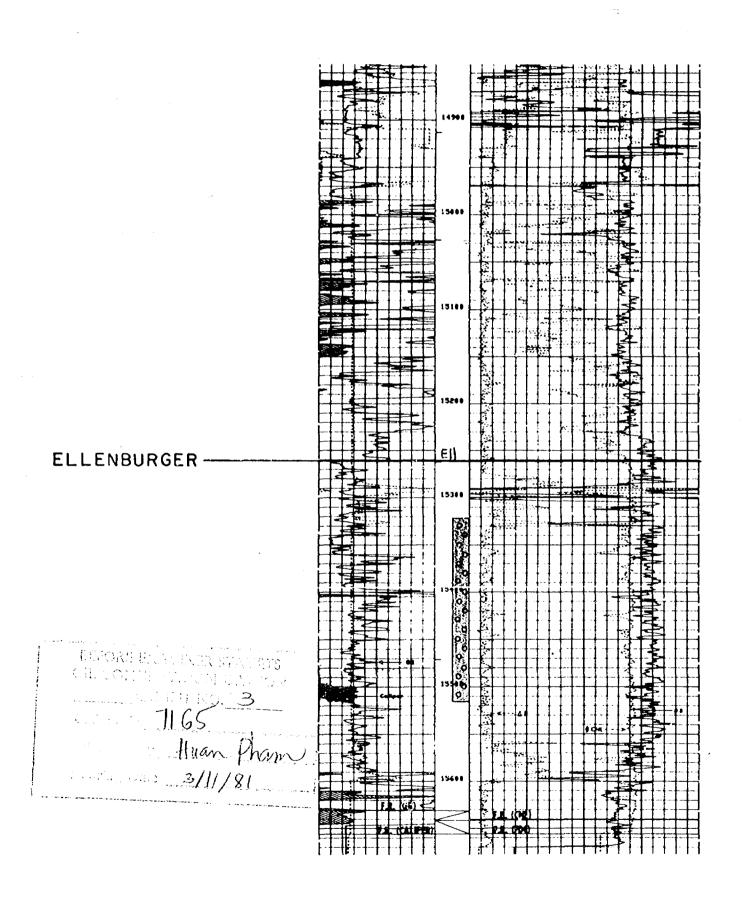
ARCO Oil and Gas Company LANGLEY GRIFFIN NO. 1

1980'FSL & 1980'FEL SEC. 28, T- 22-S, R-36-E LEA COUNTY, NEW MEXICO EL. KB 3508



ARCO Oil and Gas Company LANGLEY GRIFFIN NO. 1

1980 FSL 8 1980 FFL SEC. 28, T-22-S, R 36-E LEA COUNTY, NEW MEXICO EL. KB 3508



Monsanto

Monsanto Company 1330 Midland National Bank Tower 500 West Texas Midland, Texas 79701 Phone: (915) 883-3308

November 3, 1980

ARCO Oil & Gas Company PO Box 1610 Midland, Tx. 79702

Attn: Allen G. Harvey Land Department

RE: Drilling AFE

Proposed Langley Esmond Com. #1

Sec. 33-22S-26E

Lea County, New Mexico

Gentlemen:

Attached is Monsanto's approval to drill the captioned well.

In addition to the reporting requirements furnished you by our Land Department, we would appreciate the following: $\frac{1}{2} \left(\frac{1}{2} \right) = \frac{1}{2} \left(\frac{1}{2} \right) \left(\frac{1$

- 1. Please provide the names, with residence and office telephone numbers of one or more technically competent representatives to answer questions concerning drilling operations and day to day operations of a significant nature.
- 2. Notification if the approved AFE is going to be overrun by 15%.

Yours very truly,

4. E. Brown

Regional Production Manager

DEB:mm Encl.

BEFORE EXAMINER STAMETS
OIL CONSERVATION DIVISION
ARCE EXHIBIT NO. 4

NOV 4 1980

ARCO OIL AND GAS CO

CASE NO. 7/65

Submitted by ARCO 0:1+645 Co.

Hearing Date 3-11-81

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				Gross						ļ		<u> </u>
Operator				totals Net Atlan	lic			2,7	25,000			2,725,000
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A.A.P.L. FORM 610 - MODEL FORM OPERATING AGREEMENT - 1977

ATTACHED TO AND MADE A PART OF OPERATING AGREEMENT DATED JULY 1, 1980, BETWEEN ATLANTIC RICHFIELD COMPANY AND TEXAS PACIFIC OIL COMPANY, et al.

ARTICLE XVI.

spective heirs, devisees, legal representati	shall inure to the benefit of the parties hereto and to their ives, successors and assigns.	
This instrument may be executed in any original for all purposes.	number of counterparts, each of which shall be considered	
IN WITNESS WHEREOF, this agreement 80.	shall be effective as of <u>lst</u> day of <u>luly</u> ,	
- · · · · · · · · · · · · · · · · · · ·	PERATOR	
ATLANTIC RICHFIELD COMPANY		
	By: C.S. Cardwell Jr. SA	
· ·	•	
NON	- OPERATORS	
	TEXAS PACIFIC OIL COMPANY, INC.	
	By:	
	GACKLE OIL COMPANY, INC.	
	By:	
	MONSANTO COMPANY	
	By: prehim lask	
	MANAGEMENT TRUST COMPANY	
	Ву:	
•	CONTINENTAL NATIONAL BANK, AS TRUSTEE FOR THE RUFUS CLAY TRUST	
	Ву:	
	RUFUS "PETE" CLAY, JR. TRUST	
	By: Rufus Clay, Jr., Co-Trustee	
	By: Ray Hebert, Co-Trustee	
	MARGARET COUCH TRUST By:	
	Margaret Couch, Co-Trustee	
	By: Ray Hebert, Co-Trustee	
	EVELYN CLAY O'HARA TRUST	

CORPORATION ACKNOWLEDGMENT

STATE OF		
COUNTY OF	•	
BEFORE ME, the undersigned State, on this day personally appear known to me to be the person and off instrument and acknowledged to me the	ficer whose name is subscribed	d to the forespics
<u>Iexas Pacific Oil Company, Inc.</u> , executed the same as the act of such	a corporation, and that corporation for the purposes	he •
therein expressed, and in the capaci	•	
GIVEN UNDER MY HAND AND SE A.D., 19	EAL OF OFFICE this the	day of
My Commission expires:	Notary in and for	County,
	Texas	county,
		· · ·
		• •
CORPORATIO	N ACKNOWLEDGMENT	
STATE OF	•	
COUNTY OF		
State, on this day personally appear known to me to be the person and of	ficer whose name is subscribe	ed to the foregoing
instrument and acknowledged to me to Gackle Dil Company. Inc., executed the same as the act of such therein expressed, and in the capacity of the Company of	hat the same was the act of t a corporation, and that h corporation for the purpose ity therein stated. EAL OF OFFICE this the	the said he es and consideration
Gackle Dil Company, Inc., executed the same as the act of such therein expressed, and in the capac	hat the same was the act of t a corporation, and that h corporation for the purpose ity therein stated. EAL OF OFFICE this the	the said he es and consideration
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Gackle Dil Company. Inc. executed the same as the act of such therein expressed, and in the capacing of the ca	hat the same was the act of the acorporation, and that his corporation for the purpose ity therein stated. EAL OF OFFICE this the	county, county, county, county, county,

BROWN, HERMAN, SCOTT, DEAN & MILE'S

ATTORNEYS AND COUNSELORS AT LAW SUITE 203 FORT WORTH CLUB BUILDING FORT WORTH, TEXAS 76102

TELEPHONE
332-1391
AREA CODE 817
METRO
429-0851

JESSE M. BROWN (1893-19
A. M. HERMAN
WILLIAM M. BROWN
JOHN M. SCOTT
BEALE DEAN
RICHARD E. MILES
JAMES T. BLANTON
R. DAVID BROILES
J. SHELBY SHARPE
J. TYNDELL KIRKLEY
GRANT LISER
MORTON L. HERMAN
STEPHEN C. HOWELL
RICHARD W. WISEMAN
RANDALL L. SCHMIDT
LARRY E. COTTEN

September 30, 1980

Mr. Allen G. Harvey Land Department Arco Oil & Gas Company P. O. Box 1610 Midland, TX 79702 Certified Mail #0295174 Return Receipt Requested

Re: Farmout Agreement - Atlantic Richfield Company N/2 Section 33, T-22-S, R-36-E

Dear Mr. Harvey:

I am enclosing executed counterpart signature pages of the Operating Agreement on the above-referenced tract of land in Lea County, New Mexico. The executed counterpart signatures have been obtained for the Rufus "Pete" Clay, Jr. Trust, the Margaret Couch Trust and the Evelyn Clay O'Hara Trust and for the Continental National Bank, as Trustee of the Rufus Clay Trust.

The Model Form Operating Agreement for the Langley Esmond Com #1 dated July 1, 1980 on the above tract of land which you sent to me states that the contract area includes "...to all depths below 4000 feet from the surface". Please be advised that the original proposal which we accepted includes only depths to 150 feet below the depth of the total depth drilled by such well that is drilled and completed. We are delivering the executed counterpart signatures with the understanding that the agreement is pursuant to the original proposal and not otherwise. If your understanding is any different, then please return the executed counterpart signature pages immediately.

Yours very truly,

J. Lyndell Kirkley

JLK:par
enclosures as stated
cc: Mrs. Evelyn O'Hara
Mrs. Margaret Couch
Mr. Rufus Clay, Jr.
Mr. Tom Hightower

A.A.P.L. FORM 610 - MODEL FORM OPERATING AGREEMENT - 1977

ATTACHED TO AND MADE A PART OF OPERATING AGREEMENT DATED JULY 1, 1980, BETWEEN ATLANTIC RICHFIELD COMPANY AND TEXAS PACIFIC OIL COMPANY, et al.

ARTICL MISCELL	
This agreement shall be binding upon and shall in respective heirs, devisees, legal representatives, so	nure to the benefit of the parties hereto and to their uccessors and assigns.
This instrument may be executed in any number an original for all purposes.	er of counterparts, each of which shall be considered
•	be effective as of <u>lst</u> day of <u>July</u> ,
OPER.	ATOR .
	ATLANTIC RICHFIELD COMPANY
	By: C.S. Cardwell J. 5
NON-OPE	CRATORS
	TEXAS PACIFIC OIL COMPANY, INC.
	Ву:
•	•
	GACKLE OIL COMPANY, INC.
	Ву
	MONSANTO COMPANY
	By:
	MANAGEMENT TRUST COMPANY
·	By:
•	CONTINENTAL NATIONAL BANK, AS TRUSTEE FOR THE RUFUS CLAY TRUST
	Ву: `
	RUFUS "PETE" CLAY, JR. TRUST
	By: Rufus Clay, Jr., Co-Trustee
	By: Son Holie A
,	Ray Hepert, Co-Trustee
	MARGARET COUCH TRUST
	By: Marchet Couch Margaret Couch, Co-Trustee
	By: Belevat
2	Ray Hebert, Co-Trustee
	EVELYN CLAY O'HARA TRUST
	By: Evelon Clay O/Hara, Co-Trustee

- 15 -

INDIVIDUAL ACKNOWLEDGMENT

as trastee tot the Kala	uthority, on this day personally appeared <u>Continental National Bank</u> , <u> </u>
	whose name is (are) subscribed to the foregoing instrument, and acknowledged to me
that'	The state of the s
executed the same as fitnerein stated. Given under my hand and sea	recact and deed for the purposes and consideration therein expressed, and in the capacit tof office this day of
My Commission Expires	
	Notary Public in and for County, State of
•	
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	INDIVIDUAL ACKNOWLEDGMENT
STATEOF	
•	
	uthority, on this day personally appeared Rufus Clay, Jr., as Co-Trustee
	y, Jr. Trust
	whose name is (are) subscribed to the foregoing instrument, and acknowledged to me
that	
executed the same asf	ree act and deed for the purposes and consideration therein expressed, and in, the capacit
executed the same asf	ree act and deed for the purposes and consideration therein expressed, and in the capacitof office this day of
executed the same asf therein stated. Given under my hand and sea	ree act and deed for the purposes and consideration therein expressed, and in the capacitof office this day of
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executed the same asf therein stated. Given under my hand and sea	recact and deed for the purposes and consideration therein expressed, and in the capaci dof office this day of
executed the same asf therein_stated, Given under my hand and sea My Commission Expires	Individual Acknowledgment Individual Acknowledgment
therein stated. Given under my hand and sea My Commission Expires	recact and deed for the purposes and consideration therein expressed, and in the capaci dof office this day of
therein stated. Given under my hand and sea My Commission Expires STATE OF TEXA COUNTY OF TARI	Individual Acknowledgment Individual Acknowledgment RANT
evecuted the same asf therein_stated. Given under my hand and sea My Commission Expires STATE OFTEXA COUNTY OFTARI Before me, the undersigned ac	INDIVIDUAL ACKNOWLEDGMENT RANT Sthority, on this day personally appeared Ray Hebert, as Co-Trustee
STATE OF TEXE COUNTY OF TART Before me, the undersigned act of the Rufus "Pete" Cla	INDIVIDUAL ACKNOWLEDGMENT AS RANT Thirting, on this day personally appeared Ray Hebert, as Co-Trustee y, Jr. Trust whose name is (>> subscribed to the foregoing instrument, and acknowledged to the
STATE OF TEXT COUNTY OF TART Before me, the undersigned act of the Rufus "Pete" Cla known to me to be the person the person of the person o	INDIVIDUAL ACKNOWLEDGMENT AS RANT Stationity, on this day personally appeared Ray Hebert, as Co-Trustee y, Jr Trust whose name is (subscribed to the foregoing instrument, and acknowledged to the capacitated deed for the purposes and consideration therein expressed, and in the capacitate capacitated and deed for the purposes and consideration therein expressed, and in the capacitate capacitated to the purposes and consideration therein expressed, and in the capacitate capacitated to the purposes and consideration therein expressed, and in the capacitated to the purposes and consideration therein expressed, and in the capacitated to the purposes and consideration therein expressed and in the capacitated to the purposes and consideration therein expressed and in the capacitated to the purposes and consideration therein expressed and in the capacitated to the purposes and consideration therein expressed and in the capacitated to the purposes and consideration therein expressed and in the capacitated to the purposes and consideration therein expressed and in the capacitated to the purposes and consideration therein expressed and in the capacitated to the purposes and consideration therein expressed and in the capacitated to the purposes and consideration therein expressed and in the capacitated to the purposes and consideration therein expressed and in the capacitated to the purposes and consideration therein expressed and in the capacitated to the ca
STATE OF TEXT COUNTY OF TART Before me, the undersigned act of the Rufus "Pete" Cla known to me to be the person the rein stated. Civen under my hand and seal Secured the same as the rein stated. Civen under my hand and seal	INDIVIDUAL ACKNOWLEDGMENT AS RANT Sthority, on this day personally appeared Ray Hebert, as Co-Trustee Y, Jr. Trust whose name is (**subscribed to the foregoing instrument, and acknowledged to the capacity of office the purposes and consideration therein expressed, and in the capacity of office the subscribed to the foregoing instrument.
STATE OF TEXT COUNTY OF TART Before me, the undersigned act of the Rufus "Pete" Cla known to me to be the person the county of the county	INDIVIDUAL ACKNOWLEDGMENT AS RANT Sthority, on this day personally appeared Ray Hebert, as Co-Trustee y, Jr. Trust whose name is (>> subscribed to the foregoing instrument, and acknowledged to the core and deed for the purposes and consideration therein as property, and in the capacity of the capacity of the purposes and consideration therein as property, and in the capacity of the capacity of the purposes and consideration therein as property, and in the capacity of the purposes and consideration therein as property and in the capacity of the purposes and consideration therein as property and in the capacity of the purposes and consideration therein as property and in the capacity of the purposes and consideration therein as property and in the capacity.

THE STATE OF TEXAS

COUNTY OF TARRANT §

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared EVELYN CLAY O'HARA, as Co-Trustee of the Evelyn Clay O'Hara Trust, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the day of ______, 1980.

Notary Public Appointed in Tarrant County for the State of Texas

My Commission Expires:

THE STATE OF TEXAS

COUNTY OF TARRANT

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared RAY HEBERT, as Co-Trustee of the Evelyn Clay O'Hara Trust, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 15 day of September, 1980.

Notary Public Appointed in Tarrant County for the State of Texas

My Commission Expirés:

THE STATE OF NEW YORK

COUNTY OF

& Den Jork s Jefferson

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared MARGARET COUCH, as Co-Trustee of the Margaret Couch Trust, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

GIVEN JUNDER MY HAND AND SEAL OF OFFICE, this the day of xinter, 1980.

Notary Public Appointed in Work

County for the State of New/York

My Commission Expires:

GAIL B. LA FAZIA
HOTARY PUBLIC: STATE OF NEW YORK
RESIDING IN JEFFERSON CO
COMMISSION EXPIRES MARCH 30, 19

THE STATE OF TEXAS §

COUNTY OF TARRANT §

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared RAY HEBERT, as Co-Trustee of the Margaret Couch Trust, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the day of Option , 1980.

Notary Public Appointed in Tarrant County for the State of Texas

My Commission Expires:

A.A.P.L. FORM 610 - MODEL FORM OPERATING AGREEMENT - 1977

ATTACHED TO AND MADE A PART OF OPERATING AGREEMENT DATED JULY 1, 1980, BETWEEN ATLANTIC RICHFIELD COMPANY AND TEXAS PACIFIC OIL COMPANY, et al.

2	ARTICLE XVI. MISCELLANEOUS
3 4 5	This agreement shall be binding upon and shall inure to the benefit of the parties hereto and to their respective heirs, devisees, legal representatives, successors and assigns.
6 7 8	This instrument may be executed in any number of counterparts, each of which shall be considered an original for all purposes.
9 10 11	IN WITNESS WHEREOF, this agreement shall be effective as of <u>lst</u> day of <u>luly</u> ,
12 13 14	OPERATOR
15 16 17	ATLANTIC RICHFIELD COMPANY
18 19 20	By: C.S. Cardwell J. S.
21 22 23	
24 25	NON-OPERATORS
26 27 28	TEXAS PACIFIC OIL COMPANY, INC.
29 30 31	<u>By:</u>
32 33 34	GACKLE OIL COMPANY, INC.
35 36 37	By:
38 39 40	MONSANTO COMPANY By:
41 42	MANAGEMENT TRUST COMPANY
43 11 45	By:
46 47 48	CONTINENTAL NATIONAL BANK, AS TRUSTEE FOR THE RUFUS CLAY TRUST
49 50 51	By Homos B. Heghlana
52 53 54	RUFUS "PETE" CLAY, JR. TRUST By:
55 56 57	Rufus Clay, Jr., Co-Trustee By:
8 8 8	Ray Hebert, Co-Trustee MARGARET COUCH TRUST
50 1 2	<u>By:</u>
3 4 5	By: Can teles Ray Hobert, Co-Trustee
6 7 8	EVELYN CLAY O'HARA TRUST
9	Rv.

Evekyn Clay O'Hara, Co-Trustee

CORPORATE ACKNOWLEDGMENT

STATEOF LIKES		•
COUNTY OF LARVANCE	Thomas	R Hightower of
Before me, the undersigned and	hority, on this day personally appeared Contine	ntal National Bank,
as Trustee for the Rufus	Clay Trust	
- known to me to be the person	whose name is (are) subscribed to the foregoing	g instrument, and acknowledged to my
mon Thomas B. Hightower,	Vice President & Trust Officer of C	ontinental.National.Bank-of
Fort Worth executed the same as her	e act and deed for the purposes and consideration ther	emespressed, and in the capacity
Given under my hand and seal of	of office this Budday of September	219 <u>80</u> .
Sis Commission Expires	Merle Hancy	
May 31, 1980	Notary Public in and for James	County, State of Sugar
3		MERLE YANCEY, Notary Public
		Tarrant County, Texas
	e e e e e e e e e e e e e e e e e e e	
		₹
	INDIVIDUAL ACKNOWLEDGMENT	•
STATE OF		
	hority, on this day personally appearedRufus_C	lav Jr as Co-Truetoo
	, Jr. Trust	
	whose name is (are) subscribed to the foregoing	
the contract of the contract o	whose mane is fare) subserved to the foregoing	
•	e act and deed for the purposes and consideration ther	
tnerein stated.	of office this day of	•
My Commission Expires		
	Notary Public in and for	County, State of
	·	
•		
	INDIVIDUALACKNOWLEDGMENT	
STATEOF_TEXAS	WHAT IN ONLY OF CONTENSA	
COUNTY OF TARRA	NT	
Before me, the undersigned and	ority, on this day personally appeared Ray Heber	
of the Rufus "Pete" Clay	Jr Trust	t, as Co-Trustee
known to me to be the person	whose name is (****) subscribed to the foregoing	
max he	3 (and subscribed to the foregoing	instrument, and acknowledged to me
evecuted the same as his free	act and deed for the purposes and consideration therei	
Civen under my hand and scal of	office this to day of September	mespressed, and in the capacity
My Commission Expires	Valuei O. 11	19. QQ
4-18-84	Notare Public in control Tours	
	Notary Public in and for . Taxant	County, State of Liepas

COUNTY OF TARRANT BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared EVELYN CLAY O'HARA, as Co-Trustee of the Evelyn Clay O'Hara Trust, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes and consideration therein expressed. GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the day of _____, 1980. Notary Public Appointed in Tarrant County for the State of Texas My Commission Expires: THE STATE OF TEXAS COUNTY OF TARRANT BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared RAY HEBERT, as Co-Trustee of the Evelyn Clay O'Hara Trust, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed. GIVEN ENDER MY HAND AND SEAL OF OFFICE, this the day of of the day of office of the day of the d Notary Public Appointed in Tarrant County for the State of Texas THE STATE OF NEW YORK COUNTY OF BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared MARGARET COUCH, as Co-Trustee of the Margaret Couch Trust, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes and consideration therein expressed. GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the day of Notary Public Appointed in County for the State of New York

THE STATE OF TEXAS

My Commission Expires:

THE STATE OF TEXAS §

COUNTY OF TARRANT \$

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared RAY HEBERT, as Co-Trustee of the Margaret Couch Trust, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN JUNDER MY HAND AND SEAL OF OFFICE, this the day of Colember, 1980.

Notary Public Appointed in Tarrant County for the State of Texas

My Commission Expires:

A.A.P.L. FORM 610 - MODEL FORM OPERATING AGREEMENT - 1977

ATTACHED TO AND MADE A PART OF OPERATING AGREEMENT DATED JULY 1, 1980, BETWEEN ATLANTIC RICHFIELD COMPANY AND TEXAS PACIFIC OIL COMPANY, et al.

ARTICLE XVI.

This instrument may be executed in any noriginal for all purposes.	number of counterparts, each of which shall be considered
IN WITNESS WHEREOF, this agreement 980.	shall be effective as of <u>lst</u> day of <u>July</u> ,
• · · · • · · · · · · · · · · · · · · ·	PERATOR
	By: C.S. Pardwell J. S
	by. (12. caravect y .
иои-	OPERATORS
	TEXAS PACIFIC OIL COMPANY, INC.
	By:
	GACKLE OIL COMPANY, INC.
	By:
	MONSANTO COMPANY
	Ву:
	MANAGEMENT TRUST COMPANY
	Ву:
•	CONTINENTAL NATIONAL BANK, AS TRUSTEE FOR THE RUFUS CLAY TRUST
	By: Shower B. Highlewe
·	RUFUS "PETE" CLAY, JR. TRUST
	By: Rufųs Clay, Jr., Co-Trustee
	By: Ray Heyert, Co-Trustee
	MARGARET COUCH TRUST
· .	By: Margaret Couch, Co-Trustee
	Ray Hepert, Co-Trustee

CORPORATE ACKNOWLEDGMENT

STATEOF Lesas	
COUNTY OF _ Jarrases	Thomas B. Hightower of
Before me, the undersigned authori	ry, on this day personally appeared Continental National Bank,
as Trustee for the Rufus C	lay Trust
known to me to be the person, who	ose name is (are) subscribed to the foregoing instrument, and acknowledged to over
man Thomas B. Hightower, Vic	te President & Trust Officer of Continental National Bank of
	r and deed for the purposes and consideration therein expressed, and in the capacity frice this 23nd day of September . 1980.
My Compossion Papiros	Mirle Ganery Notary Public in and for Darrest County, State of Defas
1749 3/3/280	Notary Public in and for Sarriest County, State of Sugar
08.3	MERLE YANGEY, Notary Public Tarrant County, Texas
•	
	INDIVIDUAL ACKNOWLEDGMENT
STATE OF	
COUNTY OF	
	ity, on this day personally appeared Rufus Clay, Jr., as Co-Trustee
	ose name is (are) subscribed to the foregoing instrument, and acknowledged to me
	OSE Maile is (are) substitute to the foregoing institute, into heliotheses is in
executed the same as free ac	trand deed for the purposes and consideration therein expressed, and in the capacity
My Commission Expires	
	Notary Public in and for County, State of
•	the contract of the contract o
STATEOF TEXAS	INDIVIDUAL ACKNOWLEDGMENT
COUNTY OF TARRA	
of the Puffic "Data" of	ty, on this day personally appeared <u>Ray Hebert, as Co-Trustee</u>
or the Rulus Peter Clay,	Dr. Trust
Title	ose name is (subscribed to the foregoing instrument, and acknowledged to me
executed the same as the control	and deed for the purposes and consideration therein expressed, and in the capacity fice the day of September 1980
My Commission Expires [Vaturii J. Carmane
4-18-44	Notary Public in and for Tanant County, State of Texas
•	County, Sector Legisland

THE STATE OF TEXAS COUNTY OF TARRANT BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared EVELYN CLAY O'HARA, as Co-Trustee of the Evelyn Clay O'Hara Trust, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes and consideration therein expressed. GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the day of _____, 1980. Notary Public Appointed in Tarrant County for the State of Texas My Commission Expires: THE STATE OF TEXAS COUNTY OF TARRANT BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared RAY HEBERT, as Co-Trustee of the Evelyn Clay O'Hara Trust, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed. GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the day of Suplember, 1980. Notary Public Appointed in Tarrant County for the State of Texas My Commission THE STATE OF NEW YORK COUNTY OF BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared MARGARET COUCH, as Co-Trustee of the Margaret Couch Trust, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes and consideration therein expressed. GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the day of _____, 1980.

Notary Public Appointed in County for the State of New York

My Commission Expires:

THE STATE OF TEXAS

COUNTY OF TARRANT

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared RAY HEBERT, as Co-Trustee of the Margaret Couch Trust, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the

Notary Public Appointed in Tarrant County for the State of Texas

My Commission Expires:

A.A.P.L. FORM 610 - MODEL FORM OPERATING AGREEMENT - 1977

ATTACHED TO AND MADE A PART OF OPERATING AGREEMENT DATED JULY 1, 1980, BETWEEN ATLANTIC RICHFIELD COMPANY AND TEXAS PACIFIC OIL COMPANY, et al.

l 2	ARTICLE XVI. MISCELLANEOUS
This agreement shall be binding upon to respective heirs, devisees, legal represe	and shall inure to the benefit of the parties hereto and to their
This instrument may be executed in	any number of counterparts, each of which shall be considered
3 an original for all purposes.	•
	ment shall be effective as of <u>lst</u> day of <u>luly</u> ,
2	OPERATOR
1	
	ATLANTIC RICHFIELD COMPANY
	By: C.S. Cardwell J. St
, !	
•	•
и	ON-OPERATORS
	TEXAS PACIFIC OIL COMPANY, INC.
	Ву:
	•
	GACKLE OIL COMPANY, INC.
	MONCANTO COMPANY
	MONSANTO COMPANY
	Ву:
	MANAGEMENT TRUST COMPANY
	By:
	CONTINENTAL NATIONAL BANK, AS TRUSTEE FOR THE RUFUS CLAY TRUST
	Ву:
	RUFUS "PETE" CLAY, JB-TRUST
	By: / when they
1	Rufus Clay, Jr., Co-Trustee
, 	Ray Hebert, Co-Trustee
3 9	MARGARET COUCH TRUST
) !	Ву:
3	Margaret Couch, Co-Trustee
1 3	By: Ray Hebert, Co-Trustee
6 7	EVELYN CLAY O'HARA TRUST
3	By: Evel Clar O'Llaw Ingt
9 0	Everyn Clay O'Hara, Co-Trustee

- 15

INDIVIDUAL ACKNOWLEDGMENT

STATE OF	The same same same states and the same same same same same same same sam
COUNTY OF	
Before me, the undersigned author	rity, on this day personally appeared Continental National Bank,
as Trustee for the Rufus	Clay Trust
•	hose name, is (are) subscribed to the foregoing instrument, and acknowledged to me
executed the same as free; therein stated. Given under my hand and seal of	office thisday of
My Commission Expires	
	Notary Public in and for County, State of
*	
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· · · · · · · · · · · · · · · · · · ·	······································
	•
	INDIVIDUAL ACKNOWLEDGMENT
STATEOF New A	M. 12 (C)
	Te Men Mayiro
•	rity, on this day personally appearedRufus_Clay, _Jr., as_Co=Trustee
of the Rufus "Pete" Clay,	·
	hose name. (are) subscribed to the foregoing instrument, and acknowledged to me
	11 O au
	net and deed for the purposes any consideration therein expresses, and in the capacity
therein stated.	office this 24 day of September 1980.
•	office this St. day of St. A. H. d. a. c.
My Commission Expires	Notary Public in and for Stratter & Hounty, Start of Misse Diese
Maria W. CA	Notary Public III and for Children J. County, 5:3:30: Jean Jell. Mark
STATEOF TEXAS	INDIVIDUAL ACKNOWLEDGMENT
-0000	/
COUNTY OF 1 HICK HI	<u> </u>
Before me, the undersigned author	rity, on this day personally appeared <u>Ray Hebert</u> , <u>as Co-Trustee</u>
of the Rufus "Pete" Clay,	Jr. Trust
known to me to be the personwl	is (subscribed to the foregoing instrument, and acknowledged to me
therein stated. Given under my hand and seaf of o	a and deed for the purposes and consideration therein expressed, and in the capacity
cavea under thy hand and scal of o	ffice the day of Syptember 1980
My Commission Papires 4-18-01	Vatricia di Gasmussen
10 -64	Notary Public in and for Tarant County, Second Turas

THE STATE OF TEXAS §

COUNTY OF TARRANT S

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared EVELYN CLAY O'HARA, as Co-Trustee of the Evelyn Clay O'Hara Trust, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the day of ______, 1980.

Notary Public Appointed in Tarrant County for the State of Texas

My Commis		sion	Expires	
				
тиг	TOTALE S	OF	TEXAS	6

COUNTY OF TARRANT §

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared RAY HEBERT, as Co-Trustee of the Evelyn Clay O'Hara Trust, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

day of Optimizer, 1980.

Notary Public Appointed in Tarrant County for the State of Texas

My Commission Expires:

THE STATE OF NEW YORK

S

COUNTY OF

Ş

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared MARGARET COUCH, as Co-Trustee of the Margaret Couch Trust, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the day of _____, 1980.

Notary Public Appointed in County for the State of New York

My Commission Expires:

THE STATE OF TEXAS

COUNTY OF TARRANT S

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared RAY HEBERT, as Co-Trustee of the Margaret Couch Trust, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the day of Office, 1980.

Notary Public Appointed in Tarrant County for the State of Texas

My Compission Expires:

A.A.P.L. FORM 610 - MODEL FORM OPERATING AGREEMENT - 1977

ATTACHED TO AND MADE A PART OF OPERATING AGREEMENT DATED JULY 1, 1980, BETWEEN ATLANTIC RICHFIELD COMPANY AND TEXAS PACIFIC OIL COMPANY, et al.

1 2	ARTICLE XVI. MISCELLANEOUS						
3 4 5	This agreement shall be binding upon and shall inure to the benefit of the parties hereto and to their respective heirs, devisees, legal representatives, successors and assigns.						
6 7 8	This instrument may be executed in any number of counterparts, each of which shall be considered an original for all purposes.						
9 10 11	IN WITNESS WHEREOF, this agreement shall be effective as of <u>lst</u> day of <u>luly</u> , 19 80.						
12 13 14	OPERATOR						
15 16 17 18	By: C.S. Candwell Q. SA						
19 20 21 22							
23 24	NON-OPERATORS						
25 26 27 28 29	TEXAS PACIFIC OIL COMPANY, INC. By:						
30 31 32 33 34 35	GACKLE OIL COMPANY, INC.						
36 37 38 39 40 41 42	MONSANTO COMPANY By: MANAGEMENT TRUST COMPANY						
43 44 45 46 47 48	- CONTINENTAL NATIONAL BANK, AS TRUSTEE FOR THE RUFUS CLAY TRUST By:						
49 50 51 52 53 54 55 56	RUFUS "PETE" CLAY, JR. TRUST By: / Lufus Clay, Jr., Co-Trustee By: Can His Rufus Clay						
57 58 59 60 61 62	Ray Heijert, Co-Trustee MARGARET COUCH TRUST By: Margaret Couch, Co-Trustee						
63 64 65 66 67 68	By: Ray Hebert, Co-Trustee EVELYN CLAY O'HARA TRUST						
69 70	By: Evalyn Clay O'Hara, Co-Trustee						

INDIVIDUAL ACKNOWLEDGMENT

STATE OF	A THE PARTY OF THE
COUNTY OF	
	Clay Trust
Known to me to be the person	whose name is (are) subscribed to the foregoing instrument, and acknowledged to me
executed the same as free therein stated. Given under my hand and seal of	ract and deed for the purposes and consideration therein expressed, and in the capacity follice thisday of
My Commission Expires	
·	Notary Public in and for County, State of
•	
	, INDIVIDUAL ACKNOWLEDGMENT
STATE OF _ A 200 DEL	
COUNTY OF SOLLYA.	Le New Marico
Before me, the undersigned auth	cority, on this day personally appeared Rufus Clay, Jr., as Co-Trustee
of the Rufus "Pete" Clay	, Jr. Trust
known to me to be the person that RUFILS TEL	whose name & is (are) subscribed to the foregoing instrument, and acknowledged to me
executed the same as him free	ract and deed for the purposes and consideration therein expressed, and in the capacity of Section 1980.
Ly Commission Expires	Mary ann Martines
Oxarch DI, 1983	Notary Public in and for Love County, Stayor Jew D. Layer
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·	· · · · · · · · · · · · · · · · · · ·
	INDIVIDUAL ACKNOWLEDGMENT
STATEOF TEXT	45
COUNTY OF TAK	CRANT
Before me, the undersigned author	ority, on this day personally appeared <u>Ray Hebert</u> , as Co-Trustee
of the Rufus "Pete" Clay,	Jr. Trust
	whose name is (***) subscribed to the foregoing instrument, and acknowledged to me
therein stated.	act and deed for the purposes and consideration therein expressed, and in the capacity officerthis 15 day of Section less 1980
d) Complission Expires	Value A Reamine 1980
# _ 1 d - 1.	The state of the s

THE STATE OF TEXAS \$

COUNTY OF TARRANT §

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared EVELYN CLAY O'HARA, as Co-Trustee of the Evelyn Clay O'Hara Trust, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the day of ______, 1980.

Notary Public Appointed in Tarrant County for the State of Texas

Му	Commission	Expires:

THE STATE OF TEXAS

COUNTY OF TARRANT §

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared RAY HEBERT, as Co-Trustee of the Evelyn Clay O'Hara Trust, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the day of Ceptanle, 1980.

Notary Public Appointed in Tarrant County for the State of Texas

Му	Commission		Expires:		
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THE	E STATE	OF 3	NEW	YORK	

THE STATE OF THEM TOTAL

COUNTY OF

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared MARGARET COUCH, as Co-Trustee of the Margaret Couch Trust, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the day of _____, 1980.

Notary Public Appointed in County for the State of New York

My Commission Expires:

THE STATE OF TEXAS

COUNTY OF TARRANT

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared RAY HEBERT, as Co-Trustee of the Margaret Couch Trust, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

day of Juplem My, HAND AND SEAL OF OFFICE, this the

Notary Public Appointed in Tarrant County for the State of Texas

My Commission Expires:

A.A.P.L. FORM 610 - MODEL FORM OPERATING AGREEMENT - 1977

ATTACHED TO AND MADE A PART OF OPERATING AGREEMENT DATED JULY 1, 1980, BETWEEN ATLANTIC RICHFIELD COMPANY AND TEXAS PACIFIC OIL COMPANY, et al.

the state of the s	CLE XVI. CLLANEOUS
This agreement shall be binding upon and shalespective heirs, devisees, legal representatives,	Il inure to the benefit of the parties hereto and to their successors and assigns.
This instrument may be executed in any nur original for all purposes.	mber of counterparts, each of which shall be considered
IN WITNESS WHEREOF, this agreement sha 9 80.	all be effective as of <u>lst</u> day of <u>luly</u> ,
OPE	GRATOR
	By: C.S. Cardwell Q. S
•	
NON-0	PERATORS
	TEXAS PACIFIC OIL COMPANY, INC.
	Ву:
	GACKLE OIL COMPANY, INC.
	By: James C. Brown President
•	MONSANTO COMPANY By:
	MANAGEMENT TRUST COMPANY
	By: James C. Brown
•	CONTINENTAL NATIONAL BANK, AS TRUSTE FOR THE RUFUS CLAY TRUST
	Ву:
	RUFUS "PETE" CLAY, JR. TRUST By:
	Rufus Clay, Jr., Co-Trustee
	Ray Hebert, Co-Trustee
	MARGARET COUCH TRUST By: Margaret Couch, Co-Trustee
·	By: Ray Hebert, Co-Trustee
	EVELYN CLAY O'HARA TRUST

- 15 -

69 70

Ray Hebert, Co-Trustee

Evelyn Clay O'Hara, Co-Trustee

CORPORATION ACKNOWLEDGMENT

STATE OF		
COUNTY OF	•	
State, on this day personally appeared known to me to be the person and office instrument and acknowledged to me that <pre>Texas Pacific Oil Company, Inc.</pre>	er whose name is subscribed to the foregoing the same was the act of the said corporation, and that he purposes and consideration	s ng
GIVEN UNDER MY HAND AND SEAL A.D., 19	OF OFFICE this the day of	f
n. V. , 15	!	
My Commission expires:	Notary in and forCounty,	•
	Texas	
	•	
CORPORATION A	ACKNOWLEDGMENT	
STATE OF TEXAS		
COUNTY OF Midhard 1.		•
instrument and acknowledged to me that Gackle Oil Company. Inc. , a executed the same as the act of such c therein expressed, and in the capacity	. OF OFFICE this the 3rd day of	- tion
My Commission expires:	Notary in and for Waldand County	-
	Texas	
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CORPORATION A	ACKNOWLEDGMENT	•
STATE OF		
COUNTY OF	· ·	
State, on this day personally appeared known to me to be the person and offic instrument and acknowledged to me that Monsanto Company, a executed the same as the act of such c therein expressed, and in the capacity	cer whose name is subscribed to the foreso; the same was the act of the said corporation, and that he corporation for the purposes and considera therein stated.	ing Lion
GIVEN UNDER MY HAND AND SEAL A.D., 19	OF OFFICE this the day	() i
My Commission expires:	Notary in and forCounty Texas	-

INDIVIDUAL ACKNOWLEDGMENT

STATEOF
COUNTY OF
Defore me, the undersigned authority, on this day personally appeared Ray Hebert, Co-Trustee
known to me to be the person, whose name is (are) subscribed to the foregoing instrument, and whiteshedged to the
that
executed the same as free act and deed for the purposes and consideration therein expressed, and in the capacity therein stated. Given under my hand and seal of office this day of
My Commission Expires
Noting Public in and for the Country Strategister, and the country of the Country Strategister, and the country
CODDODATION ACCUMON FROMENT
CORPORATION ACKNOWLEDGMENT
STATE OF Texas
COUNTY OF MIDLAND
BEFORE ME, the undersigned, a Motary Public in and for said County and State, on this day personally appeared <u>James C. Brown, President</u> , known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said Management Trust Company, a corporation, and that he executed the same as the act of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated.
November A.D., 19 80.
My Commission expires: 3-/3-84 Notary in and for Millerd County,

ARCO Oil and Gas Company

Permian District Post Office Box 1610 Midland, Texas 79702 Telephone 915 684 0130

Curt Krehbiel District Landman

February 24, 1981



TO ALL ROYALTY INTEREST OWNERS

Subject: Proposed Langley Esmond Com No. 1 Well N/2 Section 33, T-22-S, R-36-E,

Lea County, New Mexico

Dear Royalty Owners:

ARCO Oil and Gas Company has proposed to the working interest owners the drilling of the captioned well to be located in the N/2 of Section 33, T-22-S, R-36-E, Lea County, New Mexico.

The New Mexico Oil Conservation Commission, in the interest of conservation, to avoid waste, and to prevent the drilling of unnecessary wells, designates 320-acre spacing for the drilling of wells below the top of the Wolfcamp formation, for the production of gas. Due to insufficient pooling powers in the leases committed to this well underlying the N/2 Section 33 and to comply with the above mentioned spacing policy, ARCO Oil and Gas Company, as Operator, has prepared a "Gas Pooling Agreement". The purpose of that Agreement is to pool the gas rights from the top of the Wolfcamp formation to the base of the Ellenburger formation and to allow the pooling of royalty throughout the N/2 of Section 33.

The effect of pooling the royalty will be that all royalty owners under the pooled 320 acres will share on an acreage basis the royalty accruing therein irrespective of the location of the captioned well. The process by which royalty proceeds will be distributed among the royalty owners is explained at the middle of page two, Article 2 of the "Gas Pooling Agreement" which is enclosed herewith. Also find herewith four (4) copies of the "Ratification of Gas Pooling Agreement". Please sign, acknowledge, and return three (3) copies of said Ratification. The Gas Pooling Agreement, along with the remaining Ratification, is for your files.

> **BEFORE EXAMINER STAMETS OIL CONSERVATION DIVISION** ARCO EXHIBIT NO. 5 CASE NO. 7165 Submitted by Arco oil+60 C. Flearing Date 3-11-81

ARCO Oil and Gas Company is a Division of Atlantic Richfield Company

To All Royalty Interest Owners February 24, 1981

Please note that attached to each Ratification is an acknowledgement page which must be notarized. Instructions for execution and acknowledgement of instruments for New Mexico properties is enclosed for your information, as is a stamped self-addressed envelope for your convenience.

If you should have any questions, please feel free to call me collect at (915) 684-0131.

Cordially submitted,

Cillen 2 Harvey
Allen G. Harvey
Landman

AGH/mk

Enclosures

ADDRESS LIST

THE THE ROY A

Gackle Oil Company P. O. Box 10621 Midland, Texas 79702

Bradley Resources Corp. P. O. Box 292 Wellsville, NY 14895

Nancy Elizabeth Penson 4633 1st International Bldg. Dallas, Texas 75270

William Y. Penn, Successor Trustee u/w/o Robert Lee John Penn 4633 1st International Bldg. Dallas, Texas 75270

Royalty Roundup, Inc. Box 5615 Midland, Texas 79701

Tortuga Oil & Gas, Inc. 3647 University Blvd. Dallas, Texas 75201

Georgia Ann Stieren, Ind. Exec. u/w/o Jack Stieren P. O. Box 16401 San Antonio, Texas 78216

Nora Walker 3315 54 St. Lubbock, Texas 79413

Conley Clay Esmond P. O. Box 22840 Houston, Texas 77027

Conley Esmond Rt. D Lamesa, Texas 79331

Steven Earl Esmond 4607 Fountain Odessa, Texas 79761

Edith Hedrick 1600 Rainbow Richardson, Texas 75081

Lynda Carolyn Tweedie 6828 Southpoint Drive Dallas, Texas 75248

Verlon McDaniel 809 W. 20th Box 1325 Lamesa, Texas 79331

La Gloria Oil & Gas Co. P. O. Box 100386 Houston, Texas 77212

First National Bank & Trust Co. Trustee No. 8003043 52-1091 P. O. Box 1198 Oklahoma City, Oklahoma 73101

Robert Allen Venable, Ind. Exec. & Trustee u/w/o R. H. Venable, Deceased 2711 Mercantile Bank Building Dallas, Texas 75201

Monsanto Company 1300 Midland National Bank Tower 500 West Texas Midland, Texas 79701

Virginia P. Selby P. O. Box 5434 Midland, Texas 79701

University of Texas Foundation #2, Inc. 601 Colorado Street Austin, Texas 78701

Joseph E. Seagram & Sons, Inc. P. O. Box 747 Dallas, Texas 75221

Howard Olsen Suite 236 The Quandrangle 2800 Routh Dallas, Texas 75201

The Prudential Insurance Company 763 Broad Street Newark, New Jersey 07102

Wanda Jean Accadia 3750 Oakridge Odessa, Texas 79762

INSTRUCTIONS FOR EXECUTING AND ACKNOWLEDGING PAPERS (New Mexico Properties)

The attached instruments should be executed pursuant to the following instructions:

- Married Persons (with the interest being community property). If you are a married man (or a married woman), the papers should be executed by both the husband and the wife. The acknowledgment should state the names of both parties expressly identifying them as husband and wife.
- 2. Married Persons (with the interest being either his or her separate property). For the purposes of these instructions, separate property shall mean property that has been inherited, received as a gift or acquired prior to the date of marriage. If the husband or wife is executing papers concerning either of their separate property, they should execute as follows: "John Doe, a married man dealing in his sole and separate property," or "Jane Doe, a married woman dealing in her sole and separate property." The acknowledgment should also contain the identical name and description.
- 3. Single Men. A single man should execute papers as follows: "John Doe, a single man." The acknowledgment should also contain the identical name and description.
- 4. <u>Single Women</u>. If a single woman is executing papers, she should exacute as follows: "Jane Doe, a single woman," or "Jane Doe, a widow." The acknowledgment should also contain the identical name and description.
- 5. Corporations. If the entity executing the papers is a corporation, the execution should state: "XYZ Company, a corporation" beneath which should appear the signature of the president, vice-president or attorney-in-fact, his title appearing under his signature. In addition, a corporation's execution should be attested to by the secretary or the assistant secretary, his title appearing under his signature, and be sealed with the corporate seal, or a recital entered that the corporation has no seal. The acknowledgment should show the name of the company, that it is a corporation, the name of the executing officer and his capacity. If the execution is by an attorney-infact, a copy of his power of attorney should be furnished.
- 6. Partnerships. If the entity executing the instrument is a co-partner-ship, either general or limited, that fact should be stated as follows: "ABC Oil Producers, a co-partnership," and the papers should be executed by at least two partners or by at least one general partner if it is a limited partnership. Under each signature the word "partner" or "general partner" should appear. The acknowledgment should name the executing partners and state that they executed on behalf of ABC Oil Producers, a co-partnership. It is not necessary for the partners' wives to execute an instrument which affects only partnership property.
- 7. <u>Trustees</u>. If the execution is by a trustee, it should be signed by John Jones under which his capacity as trustee is stated. The acknowledgment likewise should reflect that the instrument was executed by John Jones, Trustee.
- 8. Executors, Administrators and Guardians. If the instrument is to be executed by an executor or by an administrator, an attempt should be made to have it jointly executed by the executor or administrator and also by the heirs and devisees of the deceased person. Most commonly this will appear in the following manner: "Jane Doe, a widow, Individually and as Executrix of the Estate of John Doe, deceased, and John Doe, Jr., as the sole heirs and devisees of John Doe, deceased." Guardians' executions are similar except no attempt should be made to secure the ward's execution. It is quite possible that additional material such as an affidavit of heirship or copies of probate proceedings will be required to be furnished for examination, and in some cases it might also be necessary to obtain a court order approvint the execution. Every attempt will be made to keep such requirements within the bounds of reason and your cooperation and understanding are greatly appreciated.
- Capacity Not Covered. If your capacity to execute papers is not covered above and you have any doubt about the procedure, you should address your inquiry to the party who sent you the papers for execution.
- 10. Acknowledgments. The acknowledgment must be taken by a Notary Public whose commission is presently in effect and must bear the impression of his seal of office. In foreign countries acknowledgments may be taken by a consular agent of the U.S., resident in the country where the acknowledgment is taken having a seal. Persons on active duty in the U.S. military service, inside or outside this country, may have their acknowledgment taken by a commis inved officer of at least the rank of second lieutenant or ensign, the authorized containing the signature, rank and branch of service of buch officer. It might be necessary to have more than one acknowledgment if the parties do not appear before the same notary public. Such additional acknowledgment may be typewritten on the instrument or on an additional page or taped or stapled over an acknowledgment form that is not useable. In any case, the acknowledgment should reflect the identity and capacity of the parties in exactly the same manner that they have executed the instrument.

RATIFICATION OF GAS POOLING AGREEMENT

Each undersigned owner of a working interest, mineral, royalty or other interest in the following described land situated in Lea County, New Mexico, to-wit:

N/2 Section 33, Township 22 South, Range 36 East, N.M.P.M., containing 320 acres, more or less;

does hereby acknowledge receipt of a copy of instrument entitled

"Gas Pooling Agreement" dated as of February 20, 1981, designating the above described land as a unit for the production of gas-well gas insofar and only insofar as concerns from the top of the Wolfcamp formation to the base of the Ellenburger formation, and does hereby ratify, adopt and approve the same.

EXECUTED	this	_day of_			, 1981.	
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New Merico ACKNOWLEDGMENT

(PERSONAL ACXHOWLEDGMENT)

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•	as attorney-in-fact in behalf of
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My commission expires:	Notary Public
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e corporation, on behalf	of said corporation.
My commission expires:	Notary Public
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•	T BY CORPORATION)
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(HAME) . (TITLE)	of (corporation)
ecorporation, on behalf	•
en pensil	or two corbernata
My commission expires:	Notary Public

GAS POOLING AGREEMENT

THIS AGREEMENT, made and entered into as of the 20th day of February, 1981, by and between ATLANTIC RICHFIELD COMPANY, MONSANTO COMPANY, SUN OIL COMPANY (DELAWARE), MANAGEMENT TRUST COMPANY, GACKLE OIL COMPANY, RUFUS G. CLAY TRUST, RUFUS "PETE" CLAY TRUST, MARGARET COUCH TRUST, and EVELYN CLAY O'HARA TRUST, hereinafter called "Working Interest Owners", and the owners of mineral, royalty and other interests in all or a portion of the following described land situated in Lea County, New Mexico, to wit:

N/2 Section 33, Township 22 South, Range 36 East, N.M.P.M., containing 320 acres more or less; hereinafter referred to as the "Communitized Tract",

WITNESSETH: THAT

WHEREAS, the royalty and mineral interest in said land are subject to one or more of the oil and gas leases, or unleased mineral interests are deemed to be leased under an existing Operating Agreement, in segregated tracts of varying ownership, as such leases and tracts are described in Exhibit "A" hereto, which is made a part hereof for all purposes, and Working Interest Owners are the owners of the leases or have the right to share production therefrom by virtue of an existing Operating Agreement; and

WHEREAS, in order to promote conservation and prevent waste, the parties hereto desire to pool and communitize their interests as hereinafter provided.

NOW, THEREFORE, in consideration of the premises and of the mutual benefits accruing to them, the undersigned parties do hereby covenant and agree as follows:

1.

All of the gas-well gas, as hereinafter defined, in, under and that may be produced from and only from between the top of the Wolfcamp formation to the base of the Ellenburger formation of the Communitized Tract is hereby communitized and pooled, and shall hereafter be developed and operated as an entirety as if such Communitized Tract had been originally

covered by one oil and gas lease, and any drilling or reworking operation conducted on any well or wells for the production of such minerals and any discovery or production thereof from any well or wells located on any portion of the Communitized Tract regardless of where located thereon, shall be deemed to have been conducted and obtained under the terms of each said lease on lands covered thereby for all purposes except for the allocation of production and the payment of royalties as hereinafter provided in paragraph 3.

The Term "gas-well gas" wherever used herein means gas (excluding gas produced from an oil well) in its natural state inclusive of all its constituent elements, including condensate or distillate, produced from a gas well as hereinafter defined. The term "gas well" wherever used herein means a well capable of producing only gas-well gas as herein above defined, or any well classified as a gas well by any governmental authority.

2.

All production of the communitized minerals shall be allocated among the separate tracts comprising the Communitized Tract, as identified in Exhibit "A", in the proportion that the number of surface acres within each tract bears to the number of surface acres included in the entire Communitized Tract, and the production so allocated shall then be divided and paid to the owners of each such tract on the basis prescribed in each particular lease, agreement, assignment, or conveyance applicable thereto. The provisions hereof shall not have the effect of reducing any shut-in gas well royalty or rental payable in lieu of actual production.

3.

This agreement, when accepted by Atlantic Richfield Company, shall be effective as to the interest of each mineral or royalty owner, orother interest owner executing the same, whether or not executed by all owners of an interest in said land, and the failure or refusal of one or more parties to execute this agreement or otherwise to consent to the pooling sought to be accomplished hereby shall not affect the validity hereof. This agreement shall be effective for as

long as the leases set out in Exhibit "A", or any of them, shall remain in effect; provided, however, that Working Interest Owners shall have the right to dissolve the pooling effected hereby by filing for record in the county where the land is located a declaration to that effect, if at that time no operations are being conducted for, or no production is being obtained of, the communitized minerals.

4

The terms of said leases are hereby amended and modified to conform with the provisions hereof and are ratified and confirmed as valid and subsisting; and, to effectuate the purposes hereof, this instrument shall be deemed to contain all necessary words to make same effective as a conveyance, the provisions hereof to constitute covenants running with the land and leasehold premises and as such to extend to, bind and inure to the benefit of the parties hereto, their heirs, assigns, and successors.

This agreement is prepared in several counterparts and shall bind each party executing a counterpart or any instrument that evidences an intention to be bound by this agreement, whether or not the same writing is signed by all owners of an interest in said land and whether or not all owners enter into this agreement. If any party executing this instrument as a Working Interest Owner is also the owner of a mineral, royalty, overriding royalty, or like interest, such party's full interest of whatsoever kind or character shall be bound hereby.

EXECUTED as of the day and year first above written.

ATLANTIC RICHFIELD COMPANY

By KV Jewel
Attorney in Fact

MONSANTO COMPANY

By Attorney in Fact

SUN OIL COMPANY (DELAWARE)

By Attorney in Fact

MANAGEMENT TRUST COMPANY
By:
CONTINENTAL NATIONAL BANK, AS TRUSTEE FOR THE RUFUS CLAY TRUST
Ву
RUFUS "PETE" CLAY, JR. TRUST
8y: Rufus Clay, Jr., Co-Trustee
By: Ray Hebert, Co-Trustee
MARGARET COUCH TRUST
By: Margaret Couch, Co-Trustee
By: Ray Hebert, Co-Trustee
EVELYN CLAY O'HARA TRUST
By: Evelyn Clay O'Hara, Co-Trustee
By: Ray Hebert, Co-Trustee

THE STATE OF TEXAS COUNTY OF MIDLAND

REFORE ME, the undersigned authority, on this day personally appeared K. V. TERRELL , Attorney-in-Fact for ATLANTIC RICHFIELD COMPANY, a corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same as the act and deed of said Atlantic Richfield Company, for the purposes and considerations and in the capacity therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 25th day of _, 19781, February

Yvonne Brooks

My Commission Expires

New Meriko ACKNOWLEDGMENT

(PERSONAL ACKNOWLEDGMENT)

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EXHIBIT "A"

Attached to and made a part of Gas Pooling Agreement and Gas Unit Designation dated February 20, 1981, between Atlantic Richfield Company, and Monsanto Company, et al. covering the N/2 Section 33, T-22-S, R-36-E, Lea County, New Mexico.

Description of Leases Committed

Tract 1

Lessor:

R. H. Venable

Lessee:

Western Natural Gas Company

Date of Lease:

September 10, 1947 Held by Production

Description of

Lands. Committed:

NE/4 Section 33, T-22-S,

R-36-E, N.M.P.M.

Interest Covered:

1/8

Net Acres:

20.00

Lessor:

Pendulum Investment Company

Lessee:

R. S. Magruder

Date of Lease:

December 15, 1940

Held by Production

Description of

Lands Committed:

NE/4 Section 33, T-22-S,

R-36-E, N.M.P.M.

Interest Covered:

1/48

Net Acres:

3.333

Lessor:

United North & South Development Co.

Lessee:

Roy G. Barton

Date of Lease:

February 6, 1940 Held by Production

Description of

Lands Committed:

NE/4 Section 33, T-22-S,

R-36-E, N.M.P.M.

Interest Covered:

1/8

Net Acres:

20.00

Lessor:

Argo 011 Corporation

Lessee:

Roy G. Barton

Date of Lease:

May 10, 1939 Held by Production

Description of

Lands Committed:

NE/4 Section 33, T-22-S,

R-36-E, N.M.P.M.

Interest Covered:

37/192

Net Acres:

30.834

Lessor:

The Ohio Fuel Supply Company

Lessee:

Roy G. Barton

Date of Lease:

May 10, 1939 Held by Production

Description of Lands Committed:

NE/4 Section 33, T-22-S,

R-36-E, N.M.P.M.

Interest Covered:

1/64

Net Acres:

2.5

6. Lessor: Mrs. Elizabeth Hudson Penn, Individually and as Independent Executrix of the Estate of Robert R.

Penn, deceased

Lessee:

Roy G. Barton

Date of Lease:

May 10, 1939

Held by Production

Description of

Lands Committed:

NE/4 Section 33, T-22-S,

R-36-E, N.M.P.M.

Interest Covered:

1/8

Net Acres:

20

7. Lessor: H. E. Esmond and Lilly

Esmond, his wife

Lessee:

Roy G. Barton

Date of Lease:

May 10, 1939 Held by Production

Description of Lands Committed:

NE/4 Section 33, T-22-S,

R-36-E, N.M.P.M.

Interest Covered:

1/8

Net Acres:

20

Leases 1 through 7 listed above comprise 72.91666% working interest in tract 1 and are owned in the following percentages:

Gackle Oil Company Management Trust Company Clay Trusts Rufus G. Clay Trust	33.334% 10.00 % 28.333% 28.333% 100.000%
--	--

Gackle Oil Company is also contributing an undivided 1/48 unleased mineral interest covering the NE/4 Section 33, T-22-S, R-36-E, N.M.P.M. which will be considered leased under Operating Agreement dated July 1, 1980 between Atlantic Richfield Company, Operator, and Sun Oil Company (Delaware) et al Non-Operators.

Monsanto Company is contributing an undivided & unleased mineral interest covering the NE/4 Section 33, T-22-S, R-36-E, N.M.P.M. which will be considered leased under Operating Agreement dated which will be considered leased under Operating Agreement dated July 1, 1980 between Atlantic Richfield Company, Operator, and Sun Oil Company (Delaware), et al Non-Operators.

T	ra	1C	t	2
_	_	_		

C. M. Selby, a single man

Lessee: R. J. Beams

Date of Lease: May 17, 1949

Description of NW/4 Section 33, T-22-S, Lands Committed: R-36-E, N.M.P.M.

Interest Covered: \frac{1}{2}

Net Acres:

Sun Oil Company (Delaware)

Working Interest:

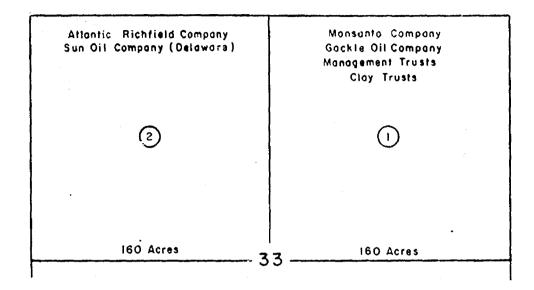
successor in interest to Texas Pacific Oil Company

100.00%

Atlantic Richfield Company is contributing an undivided ½ unleased mineral interest covering the NW/4 Section 33, T-22-S, R-36-E, N.M.P.M. which will be considered leased under Operating Agreement dated July 1, 1980 between Atlantic Richfield Company, Operator, and Sun Oil Company (Delaware), et al, Non-Operators.

RECAPITULATION

Tract <u>Number</u>	Number of Acres Communitized	Percentages Interest In Communitized Area
1 2	160.00 160.00	50.00 <u>50.00</u>
2	320.00	100.00



TOWNSHIP 22 SOUTH, RANGE 36 EAST, N.M.P.M.

NORTH ONE-HALF OF SECTION 33

LEA COUNTY, NEW MEXICO

SCALE I" = 1000'

EXHIBIT "A"
PAGE 4

GAS POOLING AGREEMENT AND GAS UNIT DESIGNATION

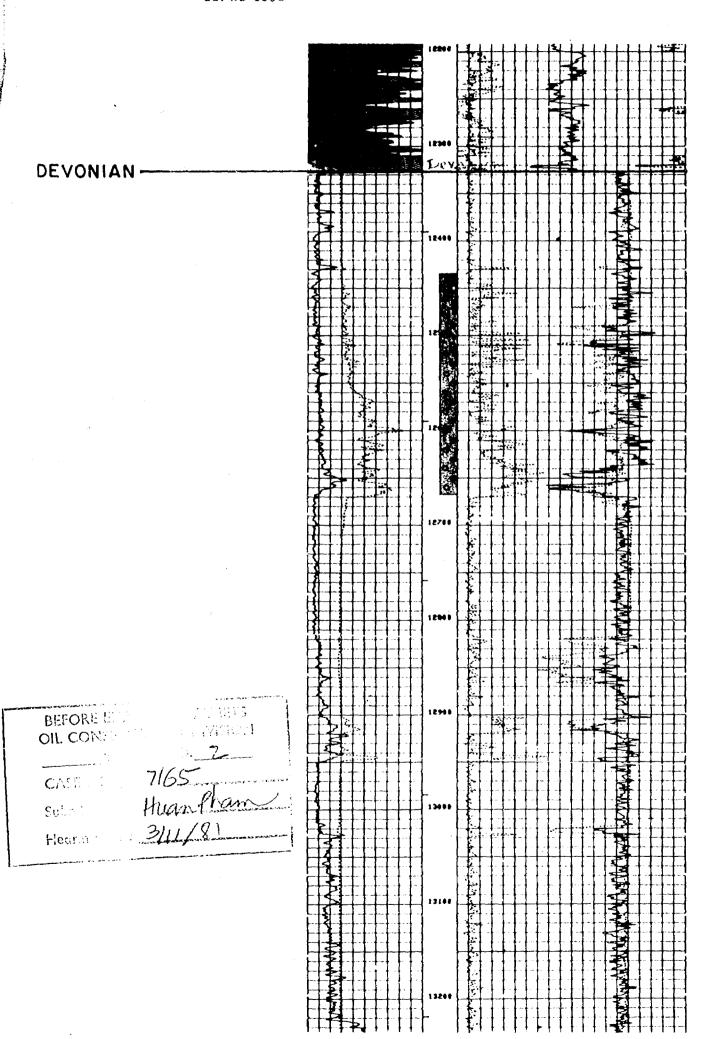
DATED: FEBRUARY 20, 1981

OPERATOR: ATLANTIC RICHFIELD CO.

LEA COUNTY, NEW MEXICO

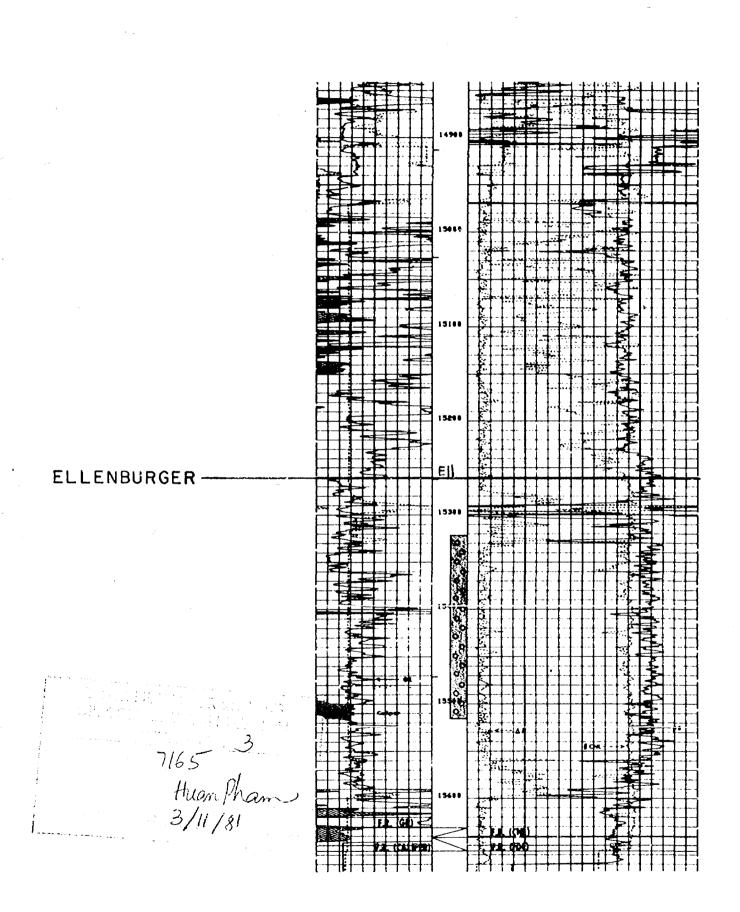
ARCO Oil and Gas Company LANGLEY GRIFFIN NO. 1

1980'FSL & 1980'FEL SEC. 28, T-22-S, R-36-E LEA COUNTY, NEW MEXICO EL. KB 3508



ARCO Oil and Gas Company LANGLEY GRIFFIN NO. 1

1980'FSL 8 1980'FEL SEC.28, T-22-S, R-36-E LEA COUNTY, NEW MEXICO EL. KB 3508



Monsanto

Monsanto Company 1330 Midland National Bank Tower 500 West Texas Midland, Texas 79701 Phone: (915) 883-3308

November 3, 1980

ARCO 011 & Gas Company PO Box 1610 Midland, Tx. 79702

Attn: Allen G. Harvey Land Department

Drilling AFE RE:

Proposed Langley Esmond Com. #1

Sec. 33-22S-26E

Lea County, New Mexico

Gentlemen:

Attached is Monsanto's approval to drill the captioned well.

In addition to the reporting requirements furnished you by our Land Department, we would appreciate the following:

- 1. Please provide the names, with residence and office telephone numbers of one or more technically competent representatives to answer questions concerning drilling operations and day to day operations of a significant
- 2. Notification if the approved AFE is going to be overrun by 15%.

Yours very truly,

E. Brown

Regional Production Manager

DEB:mm Encl.

BEFORE EXAMINER STAMETS OIL CONSERVATION DIVISION ARCO EXHIBIT NO. 4

NOV 4 1980

ARCO OIL AND GAS CO

CASE NO. 7/65

Submitted by ARCO Oct 4605 Co

Hearing Date 3-11-81

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A.A.P.L. FORM 610 - MODEL FORM OPERATING AGREEMENT - 1977

ATTACHED TO AND MADE A PART OF OPERATING AGREEMENT DATED JULY 1, 1980, BETWEEN ATLANTIC RICHFIELD COMPANY AND TEXAS PACIFIC OIL COMPANY, et al.

ARTICLE MISCELLA	
- ·	ure to the benefit of the parties hereto and to their
ecuted in any number	of counterparts, each of which shall be considered
his agreement shall be	effective as of 1st day of July
OPERA	TOR
	ATLANTIC RICHFIELD COMPANY
	By: C.S. Cardwell Q. S
•	, y
•	
NON-OPE	RATORS
	TEXAS PACIFIC OIL COMPANY, INC.
	Ву:
	GACKLE OIL COMPANY, INC.
	8y:
	MONSANTO COMPANY
4	By: prehim les
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	MANAGEMENT TRUST COMPANY
	By:
	CONTINENTAL NATIONAL BANK, AS TRUSTEE
	FOR THE RUFUS CLAY TRUST
	Ву:
	RUFUS "PETE" CLAY, JR. TRUST
	By: Rufus Clay, Jr., Co-Trustee
	By:
	Ray Hebert, Co-Trustee
	MARGARET COUCH TRUST
	By:
	Margaret Couch, Co-Trustee
	By: Ray Hebert, Co-Trustee
	MISCELLA ding upon and shall intelligent in the content of the con

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Ray Hebert, Co-Trustee

Evelyn Clay O'Hara, Co-Trustee

EVELYN CLAY O'HARA TRUST

CORPORATION ACKNOWLEDGMENT

STATE OF		
COUNTY OF	•	
BEFORE ME, the undersigned, State, on this day personally appeared known to me to be the person and officinstrument and acknowledged to me that Texas Pacific Oil Company , Inc. , a executed the same as the act of such cotherein expressed, and in the capacity	er whose name is sub the same was the ac corporation, and tha orporation for the p	scribed to the foregoing t of the said
GIVEN UNDE: MY HAND AND SEAL A.D., 19	OF OFFICE this the	day of
A.U., 19	·	
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	Notary in and for Texas	County,
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instrument and acknowledged to me that Gackle Dil Company. Inc. executed the same as the act of such of therein expressed, and in the capacity GIVEN UNDER MY HAND AND SEAL A.D., 19 My Commission expires: CORPORATION A STATE OF Julas BEFORE ME, the undersigned, State, on this day personally appeared known to me to be the person and office instrument and acknowledged to me that homsanto Company executed the same as the act of such of therein expressed, and in the capacity GIVEN UNDER MY MAND AND SEAL	the same was the accorporation, and the orporation for the particle therein stated. OF OFFICE this the Notary in and for Texas ACKNOWLEDGMENT A Notary Public in EREDERIC TIET whose name is sufficient was the accorporation, and the orporation for the particle therein stated. OF OFFICE this the	ct of the said

BROWN, HERMAN, SCOTT, DEAN & MILES

ATTORNEYS AND COUNSELORS AT LAW SUITE 203 FORT WORTH CLUB BUILDING FORT WORTH, TEXAS 76102

TELEPHONE
332-1391
AREA CODE 817
METRO
429-0851

JESSE M. BROWN (1863-1976)
A. M. MERMAN
WILLIAM M. BROWN
JOHN M. SCOTT
BEALE DEAN
RICHARD E. MILES
JAMES T. BLANTON
R. DAVID BROILES
J. SHELBY SHARPE
J. LYNDELL KIRKLEY
GRANT LISER
MORTON L. HERMAN
STEPHEN C. HOWELL
RICHARD W. WISEMAN
RANGALL L. SCHMIDT
LARRY E. COTTEN

September 30, 1980

Mr. Allen G. Harvey Land Department Arco Oil & Gas Company P. O. Box 1610 Midland, TX 79702 Certified Mail #0295174 Return Receipt Requested

Re: Farmout Agreement - Atlantic Richfield Company N/2 Section 33, T-22-S, R-36-E

Dear Mr. Harvey:

I am enclosing executed counterpart signature pages of the Operating Agreement on the above-referenced tract of land in Lea County, New Mexico. The executed counterpart signatures have been obtained for the Rufus "Pete" Clay, Jr. Trust, the Margaret Couch Trust and the Evelyn Clay O'Hara Trust and for the Continental National Bank, as Trustee of the Rufus Clay Trust.

The Model Form Operating Agreement for the Langley Esmond Com #1 dated July 1, 1980 on the above tract of land which you sent to me states that the contract area includes "...to all depths below 4000 feet from the surface". Please be advised that the original proposal which we accepted includes only depths to 150 feet below the depth of the total depth drilled by such well that is drilled and completed. We are delivering the executed counterpart signatures with the understanding that the agreement is pursuant to the original proposal and not otherwise. If your understanding is any different, then please return the executed counterpart signature pages immediately.

Yours very truly,

J. Lyndell Kirkley

JLK:par enclosures as stated cc: Mrs. Evelyn O'Hara Mrs. Margaret Couch Mr. Rufus Clay, Jr. Mr. Tom Hightower

A.A.P.L. FORM 610 - MODEL FORM OPERATING AGREEMENT - 1977

ATTACHED TO AND MADE A PART OF OPERATING AGREEMENT DATED JULY 1, 1980, BETWEEN ATLANTIC RICHFIELD COMPANY AND TEXAS PACIFIC OIL COMPANY, et al.

	TICLE XVI. ELLANEOUS
This agreement shall be binding upon and sh respective heirs, devisees, legal representative	all inure to the benefit of the parties hereto and to their
	umber of counterparts, each of which shall be considered
IN WITNESS WHEREOF, this agreement sh	hall be effective as of <u>lst</u> day of <u>July</u> ,
19 <u>80</u> .	
OP	ERATOR
	ATLANTIC RICHFIELD COMPANY By: C.S. Pardwell G. SA
иои - с	OPERATORS
	TEXAS PACIFIC OIL COMPANY, INC.
	GACKLE OIL COMPANY, INC.
	By:
	MONSANTO COMPANY
	<u>By:</u>
	MANAGEMENT TRUST COMPANY
	Ву:
	CONTINENTAL MATIONAL BANK, AS TRUSTEE FOR THE RUFUS CLAY TRUST
	Ву:
	RUFUS "PETE" CLAY, JR. TRUST
	By:
	Rufus Clay, Jr., Co-Trustee By: Cin, Lelent
	Ray Hepert, Co-Trustee
	MARGARET COUCH TRUST
	By: // Larinet Couch Margaret Couch, Co-Trustee
	Ray Hebert, Co-Trustee
^	EVELYN CLAY O'HARA TRUST
	By: Evelyn Clay O/Hara, Co-Trustee
	cropping to promise co-musice

70

INDIVIDUAL ACKNOWLEDGMENT

Before me, the undersigned to	chority, on this day personally appeared <u>Continental National Bank</u> ,
	whose name is (are) subscribed to the foregoing instrument, and acknowledged to me
(100)	
escented the same as therein stated. Given under my hand and seal	recase and deed for the purposes and consideration therein expressed, and in the capacital of office thisday of
My Commission Expires	
	Notary Public in and for County, State of
,	•
	INDIVIDUAL ACKNOWLEDGMENT
STATE OF	
	uhority, on this day personally appeared Rufus Clay, Jr., as Co-Trustee
of the Rufus "Pete" Cla	y, Jr. Trust
known to me to be the person	whose name is (are) subscribed to the foregoing instrument, and acknowledged to me
executed the same asf	ree act and deed for the purposes and consideration therein expressely and in the capacitof office this
My Commission Expires	
	Notary Public in and for County, State of
	en de la companya de La companya de la co
	INDIVIDUAL ACKNOWLEDGMENT
STATEOFTEX	
	RANT
Before me, the undersigned au	athority, on this day personally appeared Ray Hebert, as Co-Trustee
of the Rufus "Pete" Cla	y, Jr Trust
known to me to be the person	, whose name is (****) subscribed to the foregoing instrument, and acknowledged to me
therein stated.	of office this 15 day of Deptember 1980.
My Commission Expires I	of office in 12 day of Deptember 19 80.
4-16-0	James St. Kasmissen
· · · · · · · · · · · · · · · · · · ·	Notary Public in and for Tarant County, Store of Tulas

THE STATE OF TEXAS

COUNTY OF TARRANT

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared EVELYN CLAY O'HARA, as Co-Trustee of the Evelyn Clay O'Hara Trust, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the day of , 1980.

Notary Public Appointed in Tarrant County for the State of Texas

My Commission Expires:

THE STATE OF TEXAS §

COUNTY OF TARRANT S

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared RAY HEBERT, as Co-Trustee of the Evelyn Clay O'Hara Trust, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the day of September, 1980.

Notary Public Appointed in Tarrant County for the State of Texas

My Commission Expirés:

THE STATE OF NEW YORK

COUNTY OF

s How fork

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared MARGARET COUCH, as Co-Trustee of the Margaret Couch Trust, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

35 day of xiptimeter, 1980.

Notary Public Appointed in Marie County for the State of New York

My Commission Expires:

GAIL B. LE FAZIA
HOTARY PUBLIC, STATE OF NEW YORK
RESIDING IN JEFFERSON CO
COMMISSION EXPIRES MARCH 30, 19

THE STATE OF TEXAS

COUNTY OF TARRANT

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared RAY HEBERT, as Co-Trustee of the Margaret Couch Trust, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the day of Option , 1980.

Notary Public Appointed in Tarrant County for the State of Texas

A.A.P.L. FORM 610 - MODEL FORM OPERATING AGREEMENT - 1977

ATTACHED TO AND MADE A PART OF OPERATING AGREEMENT DATED JULY 1, 1980, BETWEEN ATLANTIC RICHFIELD COMPANY AND TEXAS PACIFIC OIL COMPANY, et al.

ARTICLE XVI. MISCELLANEOUS

	ny number of counterparts, each of which shall be considered
n original for all purposes.	
IN WITNESS WHEREOF, this agreement	ent shall be effective as of <u>lst</u> day of <u>July</u> ,
9.80	
	OPERATOR
	ATLANTIC RICHFIELD COMPANY
	By: C.S. Cardwell J.
	33.1.2
ио	N-OFERATORS
•	
	TEXAS PACIFIC OIL COMPANY, INC.
	Ву:
	•
	GACKLE OIL COMPANY, INC.
	Ry:
	MONSANTO COMPANY
	By:
	MANAGEMENT TRUST COMPANY
•	Ву:
•	CONTINENTAL NATIONAL BANK, AS TRUSTE
,	FOR THE RUFUS CLAY TRUST
	By Thomas B. Hegliana
	RUFUS "PETE" CLAY, JR. TRUST
	By:
,	Rufus Clay, Jr., Co-Trustee
•	By: Lay the best
	Ray Hebert, Co-Trustee
	MARGARET COUCH TRUST
	By:
·	Margaret Couch, Co-Trustee
	By: Cay the liest
	Ray Hobert, Co-Trustee
	EVELYN CLAY O'HARA TRUST

CORPORATE ACKNOWLEDGMENT

SEATE OF LIKER	make the same transfer to the set of the same transfer of the same trans
COUNTY OF Jarrant	Thomas B. Hightower of
Before me, the undersigned author	ority, on this day personally appeared Continental National Bank,
as Trustee for the Rufus	
known to me to be the personv	shose name is (are) subscribed to the foregoing instrument, and tecknowledged to me
The same D. Hallander and M. V.	tice Dureddout & Turet Offices of Continental National Dank of
Fort Worth executed the same as free	acrand deed for the purposes and consideration therein expressed, and in the capacity
Given under my hand and seal of	office this A Medday of Stage Co. 19 Do.
M. Commission Expires	Merle Hanery
May 31, 1980	Notary Public in and for Intract County, State of Sugar
3	VIERLE YANCEY, Notary Public Fargant County, Taxon
The second secon	
7.55	· · · · · · · · · · · · · · · · · · ·
•	
	INDIVIDUAL ACKNOWLEDGMENT
STATE OF	
COUNTY OF	
	ority, on this day personally appeared Rufus Clay, Jr., as Co-Trustee
	Jr. Trust
known to me to be the person	whose name is (are) subscribed to the foregoing instrument, and acknowledged to me
that	
thousin stated	f office this day of
My Commission Expires	
	Notary Public in and for County, State of
-	
•	
	INDIVIDUAL ACKNOWLEDGMENT
STATE OF TEXAS	
COUNTY OF TAKKA	NŢ
Before me, the undersigned auth	ority, on this day personally appeared <u>Ray Hebert</u> , <u>as Co-Trustee</u>
of the Rufus "Pete" Clay	Jr_Trust
known to me to be the person	whose name is (subscribed to the foregoing instrument, and acknowledged to me
that A	
therein stated. Civen under my hand and seal of	office this 13 day of September 1980
My Commission Expires	tatricia d' Casmuser
4-18-84	Notary Public in and for Tomant County, Store of Tresa

THE STATE OF TEXAS §

COUNTY OF TARRANT §

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared EVELYN CLAY O'HARA, as Co-Trustee of the Evelyn Clay O'Hara Trust, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the day of ______, 1980.

Notary Public Appointed in Tarrant County for the State of Texas

мy	Comm	ission	Expires:	

THE STATE OF TEXAS §

COUNTY OF TARRANT S

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared RAY HEBERT, as Co-Trustee of the Evelyn Clay O'Hara Trust, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN INDER MY HAND AND SEAL OF OFFICE, this the day of Output , 1980.

Notary Public Appointed in Tarrant County for the State of Texas

My Commission Expires:

THE STATE OF NEW YORK

S

COUNTY OF

c

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared MARGARET COUCH, as Co-Trustee of the Margaret Couch Trust, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the day of ______, 1980.

Notary Public Appointed in County for the State of New York

THE STATE OF TEXAS

COUNTY OF TARRANT S

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared RAY HEBERT, as Co-Trustee of the Margaret Couch Trust, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the day of Colember, 1980.

Notary Public Appointed in Tarrant County for the State of Texas

A.A.P.L. FORM 610 - MODEL FORM OPERATING AGREEMENT - 1977

ATTACHED TO AND MADE A PART OF OPERATING AGREEMENT DATED JULY 1, 1980, BETWEEN ATLANTIC RICHFIELD COMPANY AND TEXAS PACIFIC OIL COMPANY, et al.

ARTICLE XVI.

original for all purposes. IN WITNESS WHEREOF, this 80.	s agreement shall be effective as of <u>lst</u> day of <u>luly</u> ,
	OPERATOR
	ATLANTIC RICHFIELD COMPANY
	By: C.S. Cardwell Jr. 5
	NON-OPERATORS
	TEXAS PACIFIC OIL COMPANY, INC.
	<u>By:</u>
	•
	GACKLE OIL COMPANY, INC.
	By:
	MONSANTO COMPANY By:
	<u> </u>
	MANAGEMENT TRUST COMPANY
	By:
	CONTINENTAL NATIONAL BANK, AS TRUSTEE FOR THE RUFUS CLAY TRUST
	By: Thomas B. Heyltowe
\	RUFUS "PETE" CLAY, JR. TRUST
	By: Rufys Clay, Jr., Co-Trustee
	By: Can Helyst
	Ray Hellert, Co-Trustee
	MARGARET COUCH TRUST 8y:
	Margaret Couch, Co-Trustee
	Ray Heyert, Co-Trustee

CORPORATE ACKNOWLEDGMENT

STATEOF. Lecha		•
COUNTY OF Jarras	y.L	nomas B. Hightower of
Before me, the undersigned aut	iority, on this day personally appeared	ontinental National Bank,
known to me to be the person	whose name is (are) subscribed to the	foregoing instrument, and acknowledged to me
Fort Worth account the first free the Given under my hand and seal of	e act and deed for the purposes and considerant of office this 23nd day of Linton	nof Continental National Bank of another cinespressed, and in the capacity when 1980.
My Commission I spires	- Kirle Gange	west County State of Defar
1104311980	Notary Public in and for Nakt	
OF JASS		MERLE YANCEY, Notary Public Tarrant County, Texas
	· • • • • • • • • • • • • • • • • • • •	
	• .	
	INDIVIDUAL ACKNOWLEDGME	NI I'N
STATE OF	•	
		·
		ıfus Clay, Jr., as Co-Trustee
		foregoing instrument, and acknowledged to me
:hat		
executed the same as fre	e act and deed for the purposes and considerant of office thisday of	diontherein expressed, and in the capacity
My Commission Expires		
	Notary Public in and for	County, State of
•	the second second second	
	•	•
	INDIVIDUAL ACKNOWLEDGME	NT
STATE OFTEXA	5	
COUNTY OF TARK	ANT	
Before me, the undersigned auth	nority, on this day personally appeared <u>Ray</u>	Hebert, as Co-Trustee
of the Rufus "Pete" Clay	,_JrTrust	•
Enown to me to be the person	whose name is subscribed to the f	oregoing instrument, and acknowledged to me
Cyclifed the came ac	act and deed for the purposes and considerate of the day of September 1997	
My Commission Expires	Vatricia I (Co	1400 M and a
4-14-44	Notary Public in and for Tama	At Commission T.
•	· Territoria	= Comp. State of Land

THE STATE OF TEXAS §

COUNTY OF TARRANT \$

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared EVELYN CLAY O'HARA, as Co-Trustee of the Evelyn Clay O'Hara Trust, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

	GIVEN	UNDER	MY	HAND	AND	SEAL	OF	OFFICE,	this	the
day	of					L980.				

Notary Public Appointed in Tarrant County for the State of Texas

МУ	Commission	Expires:
		

THE STATE OF TEXAS S

COUNTY OF TARRANT §

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared RAY HEBERT, as Co-Trustee of the Evelyn Clay O'Hara Trust, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the day of Suptember, 1980.

Notary Public Appointed in Tarrant County for the State of Texas

My Commission Expires:

THE STATE OF NEW YORK

S

COUNTY OF

Ş

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared MARGARET COUCH, as Co-Trustee of the Margaret Couch Trust, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

	GIVEN	UNDER	MY	HAND	AND	SEAL	OF	OFFICE,	this	the
 day	of				, :	1980.				

Notary Public Appointed in County for the State of New York

THE STATE OF TEXAS

COUNTY OF TARRANT §

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared RAY HEBERT, as Co-Trustee of the Margaret Couch Trust, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 15 day of Colombia, 1980.

Notary Public Appointed in Tarrant County for the State of Texas

A.A.P.L. FORM 610 - MODEL FORM OPERATING AGREEMENT - 1977

ATTACHED TO AND MADE A PART OF OPERATING AGREEMENT DATED JULY 1, 1980, BETWEEN ATLANTIC RICHFIELD COMPANY AND TEXAS PACIFIC OIL COMPANY, et al.

This agreement shall be binding upon and shall inure to the benefit of the parties hereto and to their respective heirs, devises, legal representatives, successors and assigns. This instrument may be executed in any number of counterparts, each of which shall be considered an original for all purposes. IN WITNESS WHEREOF, this agreement shall be effective as of _lstday of _luly		CELLANEOUS
This instrument may be executed in any number of counterparts, each of which shall be considered an original for all purposes. IN WITNESS WHEREOF, this agreement shall be effective as of _lstday of _duly		
ATLANTIC RICHFIELD COMPANY By: C.S. Continued MON-OPERATOR TEXAS PACIFIC OIL COMPANY, INC. By: MANAGEMENT TRUST COMPANY By: CONTINUITAL NATIONAL BANK, AS TRUSTE FOR THE RUFUS CLAY TRUST By: RUFUS "PETE" CLAY, JR. TRUST By: RUFUS "PETE" CLAY, JR. TRUST By: RUFUS "PETE" CLAY, JR. TRUST By: MARGARET COUCH TRUST By: MARGARET COUCH TRUST By: MARGARET COUCH TRUST By: MARGARET COUCH TRUST By: MARGARET COUCH, CO-Trustee By: MARGARET, CO-Trustee By	respective heirs, devisees, legal representative	es, successors and assigns.
ATLANTIC RICHFIELD COMPANY By: C.S. Continued MON-OPERATOR TEXAS PACIFIC OIL COMPANY, INC. By: MANAGEMENT TRUST COMPANY By: CONTINUITAL NATIONAL BANK, AS TRUSTE FOR THE RUFUS CLAY TRUST By: RUFUS "PETE" CLAY, JR. TRUST By: RUFUS "PETE" CLAY, JR. TRUST By: RUFUS "PETE" CLAY, JR. TRUST By: MARGARET COUCH TRUST By: MARGARET COUCH TRUST By: MARGARET COUCH TRUST By: MARGARET COUCH TRUST By: MARGARET COUCH, CO-Trustee By: MARGARET, CO-Trustee By	This instrument may be executed in any n	number of counterparts, each of which shall be considered
ATLANTIC RICHFIELD COMPANY By: (I.S. Conducted) NON-OPERATORS TEXAS PACIFIC OIL COMPANY, INC. By: GACKLE OIL COMPANY, INC. By: MONSANTO COMPANY By: MANAGEMENT TRUST COMPANY By: CONTINENTAL NATIONAL BANK, AS TRUSTE FOR THE RUFUS CLAY TRUST By: RUFUS "PETE" CLAY, JR. TRUST By: RUFUS "PETE" CLAY, JR. TRUST By: RUFUS "PETE" CLAY, JR. TRUST By: RAY Helpert, CO-Trustee MARGARET COUCH TRUST By: Margaret Couch, CO-Trustee By: Ray Helpert, Co-Trustee		
ATLANTIC RICHFIELD COMPANY BY: (I.S. Conduct) NON-OPERATORS TEXAS PACIFIC OIL COMPANY, INC. By: GACKLE OIL COMPANY, INC. By: MONSANTO COMPANY By: CONTINENTAL NATIONAL BANK, AS TRUSTE FOR THE RUFUS CLAY TRUST By: RUFUS "PEXE" CLAY, JR. TRUST By: RUFUS "PEXE" CLAY, JR. TRUST By: RUFUS "PEXE" CLAY, JR. TRUST By: MARGARET COUCH TRUST By: Margaret Couch, Co-Trustee MARGARET COUCH, CO-Trustee By: Margaret Couch, Co-Trustee	IN WITNESS WHEREOF this agreement s	hall be effective as of 1st day of July
ATLANTIC RICHFIELD COMPANY By: (.S. landard) NON-OPERATORS TEXAS PACIFIC OIL COMPANY, INC. By: MONSANTO COMPANY By: CONTINENTAL NATIONAL BANK, AS TRUSTE FOR THE RUFUS CLAY TRUST By: RUFUS "PETE" CLAY, JB. TRUST By: RUFUS Day, JR., CO-Trustee MARGARET COUCH TRUST By: Margaret Couch, Co-Trustee By: Margaret Couch, Co-Trustee By: Margaret Couch, Co-Trustee By: Margaret Couch TRUST		mail de effective as of
ATLANTIC RICHFIELD COMPANY By: (.S. landard) NON-OPERATORS TEXAS PACIFIC OIL COMPANY, INC. By: MONSANTO COMPANY By: CONTINENTAL NATIONAL BANK, AS TRUSTE FOR THE RUFUS CLAY TRUST By: RUFUS "PETE" CLAY, JB-TRUST By: RUFUS CLAY, JB-TRUST By: RUFUS CLAY, JB-TRUST By: RUFUS CLAY, JB-TRUST By: RUFUS CLAY, JB-TRUST By: RAY Helbert, Co-Trustee MARGARET COUCH, TRUST By: Margaret Couch, Co-Trustee By: Ray Helbert, Co-Trustee	·	
By: (1.3. Confinence of the rule of the ru	, O.P.	PERATOR
By: C.S. Candwell J. NON-OPERATORS TEXAS PACIFIC OIL COMPANY, INC. By: GACKLE OIL COMPANY, INC. By: MONSANTO COMPANY By: CONTINENTAL NATIONAL BAHK, AS TRUSTE FOR THE RUFUS CLAY TRUST By: RUFUS "PETE" CLAY, JR. TRUST By: RAY Helbert, Co-Trustee MARGARET COUCH TRUST By: Margaret Couch, Co-Trustee By: Ray Helbert, Co-Trustee		
TEXAS PACIFIC OIL COMPANY, INC. By: GACKLE OIL COMPANY, INC. By: MONSANTO COMPANY By: MANAGEMENT TRUST COMPANY By: CONTINENTAL NATIONAL BANK, AS TRUSTE FOR THE RUFUS CLAY TRUST By: RUFUS "PEYE" CLAY, JR. TRUST By: RAY Helbert, Co-Trustee MARGARET COUCH TRUST By: Margaret Couch, Co-Trustee By: Ray Helbert, Co-Trustee		ATLANTIC RICHFIELD COMPANY
TEXAS PACIFIC OIL COMPANY, INC. By: GACKLE OIL COMPANY, INC. By: MONSANTO COMPANY By: MANAGEMENT TRUST COMPANY By: CONTINENTAL NATIONAL BANK, AS TRUSTE FOR THE RUFUS CLAY TRUST By: RUFUS "PETE" CLAY, JR. TRUST By: RAY Helpert, Co-Trustee MARGARET COUCH TRUST By: Margaret Couch, Co-Trustee By: Ray Helpert, Co-Trustee EYELY: RAY Helpert, Co-Trustee By: RAY Helpert, Co-Trustee		By: CS Cardinal ()
TEXAS PACIFIC OIL COMPANY, INC. By: GACKLE OIL COMPANY, INC. By: MONSANTO COMPANY By: MANAGEMENT TRUST COMPANY By: CONTINENTAL NATIONAL BANK, AS TRUSTE FOR THE RUFUS CLAY TRUST By: RUFUS "PETE" CLAY, JR. TRUST By: RAY Helbert, Co-Trustee MARGARET COUCH TRUST By: Margaret Couch, Co-Trustee By: Ray Helbert, Co-Trustee EVELYN CLAY O'HARA TRUST By: LUFUS CLAY O'HARA TRUST		<u>55. (12.turaus)</u>
TEXAS PACIFIC OIL COMPANY, INC. By: GACKLE OIL COMPANY, INC. By: MONSANTO COMPANY By: MANAGEMENT TRUST COMPANY By: CONTINENTAL NATIONAL BANK, AS TRUSTE FOR THE RUFUS CLAY TRUST By: RUFUS "PETE" CLAY, JR. TRUST By: RAY Helbert, Co-Trustee MARGARET COUCH TRUST By: Margaret Couch, Co-Trustee By: Ray Helbert, Co-Trustee EYELYN CLAY O'HARA TRUST By: EVELYN CLAY O'HARA TRUST By: CLAY O'HARA TRUST By: CLAY O'HARA TRUST By: CLAY O'HARA TRUST	•	
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TEXAS PACIFIC OIL COMPANY, INC. By: GACKLE OIL COMPANY, INC. By: MONSANTO COMPANY By: CONTINENTAL NATIONAL BANK, AS TRUSTE FOR THE RUFUS CLAY TRUST By: RUFUS "PETE" CLAY, JR. TRUST By: RUFUS CLAY, JR. TRUST By: RAY Helpert, Co-Trustee By: RAY Helpert, Co-Trustee EYELYN CLAY O'HARA TRUST By: Culpical O'Hara Trust By: Culpical O'Hara Trust		
By: GACKLE OIL COMPANY, INC. By: MONSANTO COMPANY By: MANAGEMENT TRUST COMPANY By: CONTINENTAL NATIONAL BANK, AS TRUSTE FOR THE RUFUS CLAY TRUST By: RUFUS "PETE" CLAY, JR. TRUST BY: RUFUS "PETE" CLAY O'HARA TRUST By: EVELYN CLAY O'HARA TRUST By: LULL LAY O'HARA TRUST	иои	OPERATORS
By: GACKLE OIL COMPANY, INC. By: MONSANTO COMPANY By: MANAGEMENT TRUST COMPANY By: CONTINENTAL NATIONAL BANK, AS TRUSTE FOR THE RUFUS CLAY TRUST By: RUFUS "PETE" CLAY, JR. TRUST BY: RUFUS "PETE" CLAY O'HARA TRUST By: EVELYN CLAY O'HARA TRUST By: LULL LAY O'HARA TRUST		
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GACKLE OIL COMPANY, INC. By: MONSANTO COMPANY By: MANAGEMENT TRUST COMPANY By: CONTINENTAL NATIONAL BANK, AS TRUSTE FOR THE RUFUS CLAY TRUST By: RUFUS "PETE" CLAY, JR TRUST RUFUS "PETET" CLAY, JR TRUST RUFUS "PETET" CLAY, JR TRUST RUFUS "PETET" CLAY, JR		· By:
MONSANTO COMPANY By: MANAGEMENT TRUST COMPANY By: CONTINENTAL NATIONAL BANK, AS TRUSTE FOR THE RUFUS CLAY TRUST By: RUFUS "PEVE" CLAY, JR. TRUST By: RUFUS (Clay, Jr., Co-Trustee By: Ray Helbert, Co-Trustee MARGARET COUCH TRUST By: Margaret Couch, Co-Trustee By: Ray Helbert, Co-Trustee EVELYN CLAY O'HARA TRUST By: Lugy Clay Delta And The Company By: Rufy Clay Delta And Trust By: Lugy Clay Delta And Trust		
MONSANTO COMPANY By: MANAGEMENT TRUST COMPANY By: CONTINENTAL NATIONAL BANK, AS TRUSTE FOR THE RUFUS CLAY TRUST By: RUFUS "PETE" CLAY, JR. TRUST By: RUFUS (Clay, Jr., Co-Trustee By: Ray Helbert, Co-Trustee MARGARET COUCH TRUST By: Margaret Couch, Co-Trustee By: Ray Helbert, Co-Trustee EVELYN CLAY O'HARA TRUST By: Culp Clay Delta And The Clay O'HARA TRUST By: Culp Clay Delta And Trust By: Culp Clay Delta And Trust		
MONSANTO COMPANY By: MANAGEMENT TRUST COMPANY By: CONTINENTAL NATIONAL BANK, AS TRUSTE FOR THE RUFUS CLAY TRUST By: RUFUS "PETE" CLAY, JR. TRUST By: RUFUS "PETE" CLAY OFTUSEE By: MARGARET COUCH TRUST By: Ray Hegert, Co-Trustee EVELYN CLAY OFTHARA TRUST By: CULL OFTHARA TRUST By: CALL OFTHARA CALL OFTHARA		GACKLE OIL COMPANY, INC.
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By: Evel Clay O'thea Junt		EVELYN CLAY O'HARA TRUST
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Eve Kyn Clay O'Hara, Co-Trustee		

INDIVIDUAL ACKNOWLEDGMENT

STATE OF	
COUNTY OF	
	Clay Trust
	chose name is (are) subscribed to the foregoing instrument, and acknowledged to me
executed the same as free therein stated. Given under my hand and seal of	act and deed for the purposes and consideration therein expressed, and in the capacit office thisday of
My Commission Expires	
	Notary Public in and for County, State of
	······································
\$1. 2	INDIVIDUAL ACKNOWLEDGMENT
- 1 ·	Hereites Muyiro
•	ority, on this day personally appeared Rufus Clay, Jr., as Co-Trustee
of the Rufus "Pete" Clay,	
and Pufus Pess	whose name $\frac{1}{2}$ is (are) subscribed to the foregoing instrument, and acknowledged to me
executed the same as his free therein stated. Given under my hand and seal of	act and deed for the purposes and equisideration therein expressed, and in the capacit
My Commission Expires	Marin Ora Translation
Traver D1 1983	Notary Public Wand for Sacrety H. County, Stary of Mexico Main
•	en e
TOVAC	INDIVIDUAL ACKNOWLEDGMENT
STATE OF TEXAS COUNTY OF TARRA	NT .
of the Rufus "Pete" Clay,	ority, on his day personally appeared <u>Ray Hebert, as Co-Trustee</u> <u>Jr. Trust</u>
known to me to be the person w	hose name is (subscribed to the foregoing instrument, and acknowledged to me
therein stated. Given under my hand and sead of c	office the day of Dyplember 1980
M, Commission Expires	Vatricia A. (Casmusen)
10-10-64	Notary Public in and for Tarrant County, Store Turas

THE STATE OF TEXAS §

COUNTY OF TARRANT §

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared EVELYN CLAY O'HARA, as Co-Trustee of the Evelyn Clay O'Hara Trust, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the day of ______, 1980.

Notary Public Appointed in Tarrant County for the State of Texas

My Commission Expires:

THE STATE OF TEXAS

COUNTY OF TARRANT

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared RAY HEBERT, as Co-Trustee of the Evelyn Clay O'Hara Trust, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the day of Optimize , 1980.

Notary Public Appointed in Tarrant County for the State of Texas

My Commission Expires:

THE STATE OF NEW YORK

COUNTY OF

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared MARGARET COUCH, as Co-Trustce of the Margaret Couch Trust, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the day of ______, 1980.

Notary Public Appointed in County for the State of New York

THE STATE OF TEXAS

COUNTY OF TARRANT §

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared RAY HEBERT, as Co-Trustee of the Margaret Couch Trust, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the day of the land of 1980.

Notary Public Appointed in Tarrant County for the State of Texas

A.A.P.L. FORM 610 - MODEL FORM OPERATING AGREEMENT - 1977

ATTACHED TO AND MADE A PART OF OPERATING AGREEMENT DATED JULY 1, 1980, BETWEEN ATLANTIC RICHFIELD COMPANY AND TEXAS PACIFIC OIL COMPANY, et al.

1 2	2 MISCELLANEOUS	
3 4 5	This agreement shall be binding upon and shall inure to the benefit of the parties hereto and to respective heirs, devisees, legal representatives, successors and assigns.	their
6 7 8	This instrument may be executed in any number of counterparts, each of which shall be consist an original for all purposes	dered
9 10 11	IN WITNESS WHEREOF, this agreement shall be effective as of <u>lst</u> day of <u>luly</u> . 11 19 80.	7
12 13 14	OPERATOR 14	
15 16 17 18	ATLANTIC RICHFIELD COMPANY By: C.S. Cardwell ()	_s#
19 20	20	1/~
21 2 2	•	10
23 24		
25 26	26	
27 28		
29 30	29 <u>By:</u>	
31	31	
32 33	GACKLE OIL COMPANY, INC.	
34 35	KV* '	·
36 37	36	
38	38	
39 40	40	
41 42	MANACCUENT TOUCT COMMAND	
43 44	Rv.	
45 46 47	- CONTINENTAL NATIONAL BANK, AS TE	RUSTEE
48 49	48 By:	
50	50	
51 52	52 RUPUS PETE CLAT, UR. TRUST	
53 54	oy. I concer of	
55 56	55 // / / / / / / / / / / / / / / / / /	•
57 58	57 Ray Hetlert, Co-Trustee	
59	59 MARGARET COUCH TRUST	
60 61		
62 63	62 Margaret Couch, Co-Trustee	
64 65	64 By: Lay beleet	
66	66	
67 68	68	
69 70	Funding Clay O'llana Ca True	tee

- 15 -

INDIVIDUAL ACKNOWLEDGMENT

STATE OF
COUNTY OF
Refore me, the undersigned authority, on this day personally appeared <u>Continental National Bank</u> , <u>as Trustee for the Rufus Clay Trust</u>
chown to me to be the person whose name is (are) subscribed to the foregoing instrument, and acknowledged to me
Bill Commence of the Commence
therein stated. Given under my hand and seal of office this day of
My Commission Expires
Notary Public in and for County, State of
STATE OF A 211 DYCALCO
COUNTY OF XON YOU TO MAKE DIEW MAKE O
Before me, the undersigned authority, on this day personally appeared Rufus Clay, Jr., as Co-Trustee.
of the Rufus "Pete" Clay, Jr. Trust
known to me to be the person whose name & is (are) subscribed to the foregoing instrument, and acknowledged to me
executed the same as his free act and deed for the purposes and consideration therein expressed, and in the capacithere in stated. Given under my hand and seat of office this 24 day of 12 there is 19.80
Mach 1 1983 Notary Public in and for Large Le Coursey, Sizy of Jaw Notary
• • • • • • • • • • • • • • • • • • •
STATE OFTEXAS
COUNTY OF TARRANT
Before me, the undersigned authority, on this day personally appeared Ray Hebert, as Co-Trustee
of the Rufus "Pete" Clay, Jr. Trust
nown to me to be the person whose name is () subscribed to the foregoing instrument, and acknowledged to me
therein stated. Given under my hand and seal of officialis 15 day of Saptage One 1980
V. Comprission l'apires Catricia A. Resmuse
Notary Public in and for Tarent County, State of Trepas

THE STATE OF TEXAS

COUNTY OF TARRANT

BEFORE ME, the undersigned, a Notary Public in and

for said County and State, on this day personally appeared EVELYN CLAY O'HARA, as Co-Trustee of the Evelyn Clay O'Hara Trust, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes and consideration therein expressed.
GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the day of, 1980.
Notary Public Appointed in Tarrant County for the State of Texas
My Commission Expires:
THE STATE OF TEXAS §
COUNTY OF TARRANT §
BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared RAY HEBERT, as Co-Trustee of the Evelyn Clay O'Hara Trust, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.
GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the day of Cepternles, 1980.
Notary Public Appointed in Tarrant County for the State of Texas
My Commission Expires:

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THE	STA	TE O	F NE	W YO	RK	§
COL	JNTY	OF				§

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared MARGARET COUCH, as Co-Trustee of the Margaret Couch Trust, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

	GIVEN	UNDER	MY	HAND	AND	SEAL	OF	OFFICE,	this	the
 day	of			· · · · · · · · · · · · · · · · · · ·	,]	L980.				

Notary Public Appointed in County for the State of New York

THE STATE OF TEXAS

COUNTY OF TARRANT

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared RAY HEBERT, as Co-Trustee of the Margaret Couch Trust, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

day of Juplem 15 day of Juplem 1980.

Notary Public Appointed in Tarrant County for the State of Texas

A.A.P.L. FORM 610 - MODEL FORM OPERATING AGREEMENT - 1977

ATTACHED TO AND MADE A PART OF OPERATING AGREEMENT DATED JULY 1, 1980, BETWEEN ATLANTIC RICHFIELD COMPANY AND TEXAS PACIFIC OIL COMPANY, et al.

1 2	ARTICLE XVI. MISCELLANEOUS
3 4 5	This agreement shall be binding upon and shall inure to the benefit of the parties hereto and to their respective heirs, devisees, legal representatives, successors and assigns.
6 7 8	This instrument may be executed in any number of counterparts, each of which shall be considered an original for all purposes.
9.0	IN WITNESS WHEREOF, this agreement shall be effective as of <u>lst</u> day of <u>luly</u> , 19 80.
.3	OPERATOR
5 .6 .7 .8	By: C.S. Cardwell Q. SA
9 20 21 22	
:3 :4	NON-OPERATORS
25	
26	TEXAS PACIFIC OIL COMPANY, INC.
28 29	<u>8y:</u>
30 31	
32 33	GACKLE OIL COMPANY, INC.
34 35	By. James C. Brown President
36	MONSANTO COMPANY
88	By:
39 10	
12	MANAGEMENT TRUST COMPANY
13 14	By: James C. Brown
15 16 17	CONTINENTAL NATIONAL BANK, AS TRUSTEE FOR THE RUFUS CLAY TRUST
18 19	By:
16	RUFUS "PETE" CLAY, JR. TRUST
52 53	By:
54 55	Rufus Clay, Jr., Co-Trustee
56 57	By: Ray Hebert, Co-Trustee
58 59	MARGARET COUCH TRUST
50 51	By:
32	Margaret Couch, Co-Trustee
54 55	By: Ray Hebert, Co-Trustee
56 57	EVELYN CLAY O'HARA TRUST
58 59	By:
70 70	Evelyn Clay O'Hara, Co-Trustee

Ray Hebert, Co-Trustee

CORPORATION ACKNOWLEDGMENT

STATE OF	,	
COUNTY OF	•	
BEFORE ME, the undersigned, a State, on this day personally appeared known to me to be the person and office instrument and acknowledged to me that Texas Pacific Oil Company . Inc. , a cexecuted the same as the act of such cotherein expressed, and in the capacity	er whose name is subscribe the same was the act of to corporation, and that proporation for the purpose	ed to the foregoing the said
GIVEN UNDER MY HAND AND SEAL	OF OFFICE this the	day of
A.D., 19	•	
My Commission expires:	Notary in and for	County,
	·	
CORPORATION A	CKNOWLEDGMENT	,
STATE OF Texas		
COUNTY OF Midhard		
BEFORE ME, the undersigned, State, on this day personally appeared known to me to be the person and office instrument and acknowledged to me that Gackle Oil Company, Inc. executed the same as the act of such of therein expressed, and in the capacity GIVEN UNDER MY HAND AND SEAL	r whose name is subscribe the same was the act of corporation, and that orporation for the purpose therein stated. OF OFFICE this the	reside Nt. ped to the foregoing the said he ses and consideration
November A.D., 19 80		
My Commission expires: 3./3.84	Notary in and for 20	Edland County,
	Texas	•
	<i>t</i>	•
CORPORATION A	CKNOWLEDGMENT	•
STATE OF		
COUNTY OF		
BEFORE ME, the undersigned, State, on this day personally appeared known to me to be the person and offic instrument and acknowledged to me that Monsanto Company, a executed the same as the act of such c therein expressed, and in the capacity GIVEN UNDER MY HAND AND SEAL A.D., 19	er whose name is subscribe the same was the act of corporation, and that corporation for the purpose therein stated. OF OFFICE this the	bed to the foregoing the said he es and consideration
My Commission expires:	Notary in and for Yexas	County,

INDIVIDUAL ACKNOWLEDGMENT

Before me, the undersigned au of the Evelyn Clay O'H		eared Ray Hebert, Co-Trustee	•
anown to me to be the person	, whose name iv (are) subscrit	ibed to the foregoing instrument, and acknowledged to re-	:
hat			
recented the same as fi therein stated. Given under my hand and seal	ee act and deed for the purposes and of office thisday of	d consideration therein expressed, and in the capa	city
My Commission Expires			
	Notary Public in and for ,	Cromp, Systems	
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•	•		
	CODDODATION ACUM	מנו במכונבור	
	CORPORATION ACKNO	UNIEUGHENI .	
STATE OF Texas			
COUNTY OF MIDLA	rd 1		•
State, on this day particles to the thickness to me to be the instrument and acknowled the same as	personally appeared ne person and officer was nationally appeared to the serious contraction of the personal properties and the personal properties are the personal properties and the personal properties are the personal personal properties are the personal per	otary Public in and for said County a Tames C. Brown, President whose name is subscribed to the fores e same was the act of the said poration, and that he oration for the purposes and consider erein stated.	, oi.g
November	R MY HAND AND SEAL OF A.D., 19 80.	OFFICE this the 3rd day	o:
My Commission expire	· • • • • • • • • • • • • • • • • • • •	otary in and for grid for a Count	· ·

ARCO Oll and Gas Company
Permian District
Post Office Box 1610
Midland, Texas 79702
Telephone 915 684 0130

Curt Krehbiel District Landman

February 24, 1981



TO ALL ROYALTY INTEREST OWNERS

Subject: Proposed Langley Esmond Com No. 1 Well

N/2 Section 33, T-22-S, R-36-E,

Lea County, New Mexico

Dear Royalty Owners:

ARCO Oil and Gas Company has proposed to the working interest owners the drilling of the captioned well to be located in the N/2 of Section 33, T-22-S, R-36-E, Lea County, New Mexico.

The New Mexico Oil Conservation Commission, in the interest of conservation, to avoid waste, and to prevent the drilling of unnecessary wells, designates 320-acre spacing for the drilling of wells below the top of the Wolfcamp formation, for the production of gas. Due to insufficient pooling powers in the leases committed to this well underlying the N/2 Section 33 and to comply with the above mentioned spacing policy, ARCO Oil and Gas Company, as Operator, has prepared a "Gas Pooling Agreement". The purpose of that Agreement is to pool the gas rights from the top of the Wolfcamp formation to the base of the Ellenburger formation and to allow the pooling of royalty throughout the N/2 of Section 33.

The effect of pooling the royalty will be that all royalty owners under the pooled 320 acres will share on an acreage basis the royalty accruing therein irrespective of the location of the captioned well. The process by which royalty proceeds will be distributed among the royalty owners is explained at the middle of page two, Article 2 of the "Gas Pooling Agreement" which is enclosed herewith. Also find herewith four (4) copies of the "Ratification of Gas Pooling Agreement". Please sign, acknowledge, and return three (3) copies of said Ratification. The Gas Pooling Agreement, along with the remaining Ratification, is for your files.

BEFORE EXAMINER STAMETS
OIL CONSERVATION DIVISION
ARCO EXHIBIT NO. 5
CASE NO. 7165
Submitted by ARCO 01/46As Co
Hearing Date 3-11-81

ARCO Oil and Gas Company is a Division of Atlantic Richfield Company

To All Royalty Interest Owners February 24, 1981

Please note that attached to each Ratification is an acknowledgement page which must be notarized. Instructions for execution and acknowledgement of instruments for New Mexico properties is enclosed for your information, as is a stamped self-addressed envelope for your convenience.

If you should have any questions, please feel free to call me collect at (915) 684-0131.

Cordially submitted,

Cillin 2 Harvey
Allen G. Harvey
Landman

AGH/mk

Enclosures

ADDRESS LIST

Gackle Oil Company P. O. Box 10621 Midland, Texas 79702

Bradley Resources Corp. P. O. Box 292 Wellsville, NY 14895

Nancy Elizabeth Penson 4633 1st International Bldg. Dallas, Texas 75270

William Y. Penn, Successor Trustee u/w/o Robert Lee John Penn 4633 1st International Bldg. Dallas, Texas 75270

Royalty Roundup, Inc. Box 5615 Midland, Texas 79701

Tortuga Oil & Gas, Inc. 3647 University Blvd. Dallas, Texas 75201

Georgia Ann Stieren, Ind. Exec. u/w/o Jack Stieren P. O. Box 16401 San Antonio, Texas 78216

Nora Walker 3315 54 St. Lubbock, Texas 79413

Conley Clay Esmond P. O. Box 22840 Houston, Texas 77027

Conley Esmond Rt. D Lamesa, Texas 79331

Steven Earl Esmond 4607 Fountain Odessa, Texas 79761

Edith Hedrick 1600 Rainbow Richardson, Texas 75081

Lynda Carolyn Tweedie 6828 Southpoint Drive Dallas, Texas 75248 Verlon McDaniel 809 W. 20th Box 1325 Lamesa, Texas 79331

La Gloria Oil & Gas Co. P. O. Box 100386 Houston, Texas 77212

First National Bank & Trust Co. Trustee No. 8003043 52-1091 P. O. Box 1198 Oklahoma City, Oklahoma 73101

Robert Allen Venable, Ind. Exec. & Trustee u/w/o R. H. Venable,
Deceased
2711 Mercantile Bank Building
Dallas, Texas 75201

Monsanto Company 1300 Midland National Bank Tower 500 West Texas Midland, Texas 79701

Virginia P. Selby P. O. Box 5434 Midland, Texas 79701

University of Texas Foundation #2, Inc. 601 Colorado Street Austin, Texas 78701

Joseph E. Seagram & Sons, Inc. P. O. Box 747 Dallas, Texas 75221

Howard Olsen Suite 236 The Quandrangle 2800 Routh Dallas, Texas 75201

The Prudential Insurance Company 763 Broad Street Newark, New Jersey 07102

Wanda Jean Accadia 3750 Oakridge Odessa, Texas 79762

INSTRUCTIONS FOR EXECUTING AND ACKNOWLEDGING PAPERS (New Mexico Properties)

The attached instruments should be executed pursuant to the following in-

- Married Persons (with the interest being community property). If you are a married man (or a married woman), the papers should be executed by both the husband and the wife. The acknowledgment should state the names of both parties expressly identifying them as husband and wife.
- 2. Married Persons (with the interest being either his or her separate property). For the purposes of these instructions, separate property shall mean property that has been inherited, received as a gift or acquired prior to the date of marriage. If the husband or wife is executing papers concerning either of their separate property, they should execute as follows: "John Doe, a married man dealing in his sole and separate property," or "Jane Doe, a married woman dealing in her sole and separate property." The acknowledgment should also contain the identical name and description.
- J. <u>Single Men</u>. A single man should execute papers as follows: "John Doe, a single man." The acknowledgment should also contain the identical name and description.
- 4. <u>Single Women</u>. If a single woman is executing papers, she should execute as follows: "Jane Doe, a single woman," or "Jane Doe, a widow." The acknowledgment should also contain the identical name and description.
- 5. Corporations. If the entity executing the papers is a corporation, the execution should state: "XYZ Company, a corporation" beneath which should appear the signature of the president, vice-president or attorney-in-fact, his title appearing under his signature. In addition, a corporation's execution should be attested to by the secretary or the assistant secretary, his title appearing under his signature, and be sealed with the corporate seal, or a recital entered that the corporation has no seal. The acknowledgment should show the name of the company, that it is a corporation, the name of the executing officer and his capacity. If the execution is by an attorney-infact, a copy of his power of attorney should be furnished.
- 6. Partnerships. If the entity executing the instrument is a co-partnership, either general or limited, that fact should be stated as follows: "ABC Oil Producers, a co-partnership," and the papers should be executed by at least two partners or by at least one general partner if it is a limited partnership. Under each signature the word "partner" or "general partner" should appear. The acknowledgment should name the executing partners and state that they executed on behalf of ABC Oil Producers, a co-partnership. It is not necessary for the partners' wives to execute an instrument which affects only partnership property.
- 7. <u>Trustees</u>. If the execution is by a trustee, it should be signed by John Jones under which his capacity as trustee is stated. The acknowledgment likewise should reflect that the instrument was executed by John Jones, Trustee.
- 8. Executors, Administrators and Guardians. If the instrument is to be executed by an executor or by an administrator, an attempt should be made to have it jointly executed by the executor or administrator and also by the heirs and devisees of the deceased person. Most commonly this will appear in the following manner: "Jane Doe, a widow, Individually and as Executrix of the Estate of John Doe, deceased, and John Doe, Jr., as the sole heirs and devisees of John Doe, deceased." Guardians' executions are similar except no attempt should be made to secure the ward's execution. It is quite possible that additional material such as an affidavit of heirship or copies of probate proceedings will be required to be furnished for examination, and in some cases it might also be necessary to obtain a court order approvint the execution. Every attempt will be made to keep such requirements within the bounds of reason and your cooperation and understanding are greatly appreciated.
- 9. <u>Capacity Not Covered</u>. If your capacity to execute papers is not covered above and you have any doubt about the procedure, you should address your inquiry to the party who sent you the papers for execution.
- Acknowledgments. The acknowledgment must be taken by a Notary Public whose commission is presently in effect and must bear the impression of his seal of office. In foreign countries acknowledgments may be taken by a consular agent of the U.S., resident in the country where the acknowledgment is taken having a seal. Persons on active duty in the U.S. military service, inside or outside this country, may have their acknowledgment taken by a commissioned officer of at least the rank of second lieutenent or ensign, the acknowledgment containing the signature, rank and branch of service of such officer. It might be necessary to have more than one acknowledgment if the parties do not appear before the same notary public. Such additional acknowledgment may be typowritten on the instrument or on an additional page or taped or stapled over an acknowledgment form that is not useable. In any case, the acknowledgment should reflect the identity and capacity of the parties in exactly the same manner that they have executed the instrument.

RATIFICATION OF GAS POOLING AGREEMENT

Each undersigned owner of a working interest, mineral, royalty or other interest in the following described land situated in Lea County, New Mexico, to-wit:

N/2 Section 33, Township 22 South, Range 36 East, N.M.P.M., containing 320 acres, more or less;

does hereby acknowledge receipt of a copy of instrument entitled "Gas Pooling Agreement" dated as of February 20, 1981, designating the above described land as a unit for the production of gas-well gas insofar and only insofar as concerns from the top of the Wolfcamp formation to the base of the Ellenburger formation, and does hereby ratify, adopt and approve the same.

EXECUTED	this	_day of_	,	981.
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GAS POOLING AGREEMENT

THIS AGREEMENT, made and entered into as of the 20th day of February, 1981, by and between ATLANTIC RICHFIELD COMPANY, MONSANTO COMPANY, SUN OIL COMPANY (DELAWARE), MANAGEMENT TRUST COMPANY, GACKLE OIL COMPANY, RUFUS G. CLAY TRUST, RUFUS "PETE" CLAY TRUST, MARGARET COUCH TRUST, and EVELYN CLAY O'HARA TRUST, hereinafter called "Working Interest Owners", and the owners of mineral, royalty and other interests in all or a portion of the following described land situated in Lea County, New Mexico, to wit:

N/2 Section 33, Township 22 South, Range 36 East, N.M.P.M., containing 320 acres more or less; hereinafter referred to as the "Communitized Tract",

WITNESSETH: THAT

WHEREAS, the royalty and mineral interest in said land are subject to one or more of the oil and gas leases, or unleased mineral interests are deemed to be leased under an existing Operating Agreement, in segregated tracts of varying ownership, as such leases and tracts are described in Exhibit "A" hereto, which is made a part hereof for all purposes, and Working Interest Owners are the owners of the leases or have the right to share production therefrom by virtue of an existing Operating Agreement; and

WHEREAS, in order to promote conservation and prevent waste, the parties hereto desire to pool and communitize their interests as hereinafter provided.

NOW, THEREFORE, in consideration of the premises and of the mutual benefits accruing to them, the undersigned parties do hereby covenant and agree as follows:

1.

All of the gas-well gas, as hereinafter defined, in, under and that may be produced from and only from between the top of the Wolfcamp formation to the base of the Ellenburger formation of the Communitized Tract is hereby communitized and pooled, and shall hereafter be developed and operated as an entirety as if such Communitized Tract had been originally

covered by one oil and gas lease, and any drilling or reworking operation conducted on any well or wells for the production of such minerals and any discovery or production thereof from any well or wells located on any portion of the Communitized Tract regardless of where located thereon, shall be deemed to have been conducted and obtained under the terms of each said lease on lands covered thereby for all purposes except for the allocation of production and the payment of royalties as hereinafter provided in paragraph 3.

The Term "gas-well gas" wherever used herein means gas (excluding gas produced from an oil well) in its natural state inclusive of all its constituent elements, including condensate or distillate, produced from a gas well as hereinafter defined. The term "gas well" wherever used herein means a well capable of producing only gas-well gas as herein above defined, or any well classified as a gas well by any governmental authority.

2.

All production of the communitized minerals shall be allocated among the separate tracts comprising the Communitized Tract, as identified in Exhibit "A", in the proportion that the number of surface acres within each tract bears to the number of surface acres included in the entire Communitized Tract, and the production so allocated shall then be divided and paid to the owners of each such tract on the basis prescribed in each particular lease, agreement, assignment, or conveyance applicable thereto. The provisions hereof shall not have the effect of reducing any shut-in gas well royalty or rental payable in lieu of actual production.

3.

This agreement, when accepted by Atlantic Richfield Company, shall be effective as to the interest of each mineral or royalty owner, orother interest owner executing the same, whether or not executed by all owners of an interest in said land, and the failure or refusal of one or more parties to execute this agreement or otherwise to consent to the pooling sought to be accomplished hereby shall not affect the validity hereof. This agreement shall be effective for as

long as the leases set out in Exhibit "A", or any of them, shall remain in effect; provided, however, that Working Interest Owners shall have the right to dissolve the pooling effected hereby by filing for record in the county where the land is located a declaration to that effect, if at that time no operations are being conducted for, or no production is being obtained of, the communitized minerals.

4.

The terms of said leases are hereby amended and modified to conform with the provisions hereof and are ratified and confirmed as valid and subsisting; and, to effectuate the purposes hereof, this instrument shall be deemed to contain all necessary words to make same effective as a conveyance, the provisions hereof to constitute covenants running with the land and leasehold premises and as such to extend to, bind and inure to the benefit of the parties hereto, their heirs, assigns, and successors.

This agreement is prepared in several counterparts and shall bind each party executing a counterpart or any instrument that evidences an intention to be bound by this agreement, whether or not the same writing is signed by all owners of an interest in said land and whether or not all owners enter into this agreement. If any party executing this instrument as a Working Interest Owner is also the owner of a mineral, royalty, overriding royalty, or like interest, such party's full interest of whatsoever kind or character shall be bound hereby.

EXECUTED as of the day and year first above written.

By KV Jence

Attorney in Fact

MONSANTO COMPANY

By

Attorney in Fact

SUN OIL COMPANY (DELAWARE)

Attorney in Fact

Ву:
CONTINENTAL NATIONAL BANK, AS TRUSTEE FOR THE RUFUS CLAY TRUST
Ву
RUFUS "PETE" CLAY, JR. TRUST
By: Rufus Clay, Jr., Co-Trustee
By:Ray Hebert, Co-Trustee
MARGARET COUCH TRUST
By: Margaret Couch, Co-Trustee
By:Ray Hebert, Co-Trustee
EVELYN CLAY O'HARA TRUST
By: Evelyn Clay O'Hara, Co-Trustee
By:Ray Hebert, Co-Trustee

MANAGEMENT TRUST COMPANY

THE STATE OF TEXAS
COUNTY OF MIDLAND

BEFORE ME, the undersigned authority, on this day personally appeared K. V. TERRELL , Attorney-in-Fact for ATLANTIC RICHFIELD COMPANY, a corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same as the act and deed of said Atlantic Richfield Company, for the purposes and considerations and in the capacity therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 25th day of February , 19781

Motory Public Yvonne Brooks

My Commission Expires

July 3, 1984

New Mexico ACKNOWLEDGMENT

(PERSONAL ACKNOWLEDGMENT)

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EXHIBIT "A"

Attached to and made a part of Gas Pooling Agreement and Gas Unit Designation dated February 20, 1981, between Atlantic Richfield Company, and Monsanto Company, et al. covering the N/2 Section 33, T-22-S, R-36-E, Lea County, New Mexico.

Description of Leases Committed

Tract 1

Lessor:

R. H. Venable

Lessee:

Western Natural Gas Company

Date of Lease:

September 10, 1947 Held by Production

Description of

Lands, Committed:

NE/4 Section 33, T-22-S,

R-36-E, N.M.P.M.

Interest Covered:

1/8

Net Acres:

20.00

Lessor:

Pendulum Investment Company

Lessee:

R. S. Magruder

Date of Lease:

December 16, 1940 Held by Production

Description of

Lands Committed:

NE/4 Section 33, T-22-S, R-36-E, N.M.P.M.

Interest Covered:

1/48

Net Acres:

3.333

Lessor:

United North & South Development Co.

Lessee;

Roy G. Barton

Date of Lease:

February 6, 1940 Held by Production

Description of

Lands Committed:

NE/4 Section 33, T-22-S,

R-36-E, N.M.P.M.

Interest Covered:

1/8

Net Acres:

20.00

Lessor:

Argo 011 Corporation

Lessee:

Roy G. Barton

Date of Lease:

May 10, 1939 Held by Production

Description of

Lands Committed:

NE/4 Section 33, T-22-S, R-36-E, N.M.P.M.

Interest Covered:

37/192

Net Acres:

30.834

Lessor:

The Ohio Fuel Supply Company

Lessee:

Roy G. Barton

Date of Lease:

May 10, 1939 Held by Production

Description of Lands Committed:

NE/4 Section 33, T-22-S,

R-36-E, N.M.P.M.

Interest Covered:

1/64

Net Acres:

2.5

Lessor:

Mrs. Elizabeth Hudson Penn, Individually and as Independent Executrix of the Estate of Robert R.

Penn, deceased

Lessee:

Roy G. Barton

Date of Lease:

May 10, 1939 Held by Production

Description of Lands Committed:

NE/4 Section 33, T-22-S,

H. E. Esmond and Lilly

R-36-E, N.M.P.M.

Interest Covered:

1/8

Net Acres:

20

7. Lessor:

Esmond, his wife

Lessee:

Roy G. Barton

Date of Lease:

May 10, 1939 Held by Production

Description of Lands Committed:

NE/4 Section 33, T-22-S,

R-36-E, N.M.P.M.

Interest Covered:

1/8

Net Acres:

20

Leases 1 through 7 listed above comprise 72.91666% working interest in tract 1 and are owned in the following percentages:

Gackle Ofl Company	33.334%
Management Trust Company	10.00 %
Clay Trusts	28.333%
Rufus G. Clay Trust	28.333%
•	100.000%

Gackle Oil Company is also contributing an undivided 1/48 unleased mineral interest covering the NE/4 Section 33, T-22-S, R-36-E, N.M.P.M. which will be considered leased under Operating Agreement dated July 1, 1980 between Atlantic Richfield Company, Operator, and Sun Oil Company (Delaware) et al Non-Operators.

Monsanto Company is contributing an undivided $\frac{1}{2}$ unleased mineral interest covering the NE/4 Section 33, T-22-S, R-36-E, N.M.P.M. which will be considered leased under Operating Agreement dated July 1, 1980 between Atlantic Richfield Company, Operator, and Sun Oil Company (Delaware), et al Non-Operators.

Tract 2

Lessor: C. M. Selby, a single man

Lessee: R. J. Beams

Date of Lease: May 17, 1949

, and a second s

Description of NW/4 Section 33, T-22-S,

R-36-E, N.M.P.M.

Interest Covered: 1/2

Net Acres: 80

Working Interest: Sun Oil Company (Delaware)

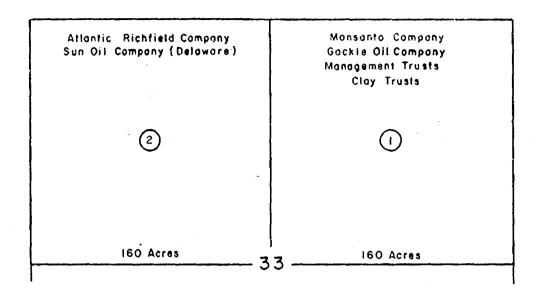
successor in interest to Texas Pacific Oil Company

100.00%

Atlantic Richfield Company is contributing an undivided ½ unleased mineral interest covering the NW/4 Section 33, T-22-S, R-36-E, N.M.P.M. which will be considered leased under Operating Agreement dated July 1, 1980 between Atlantic Richfield Company, Operator, and Sun Oil Company (Delaware), et al, Non-Operators.

RECAPITULATION

Tract Number	Number of Acres Communitized	Percentages Interest In Communitized Area
1 2	160.00 160.00	50.00 <u>50.00</u>
	320.00	100.00



TOWNSHIP 22 SOUTH, RANGE 36 EAST, N.M.P.M.

NORTH ONE-HALF OF SECTION 33

LEA COUNTY, NEW MEXICO

SCALE I" = 1000'

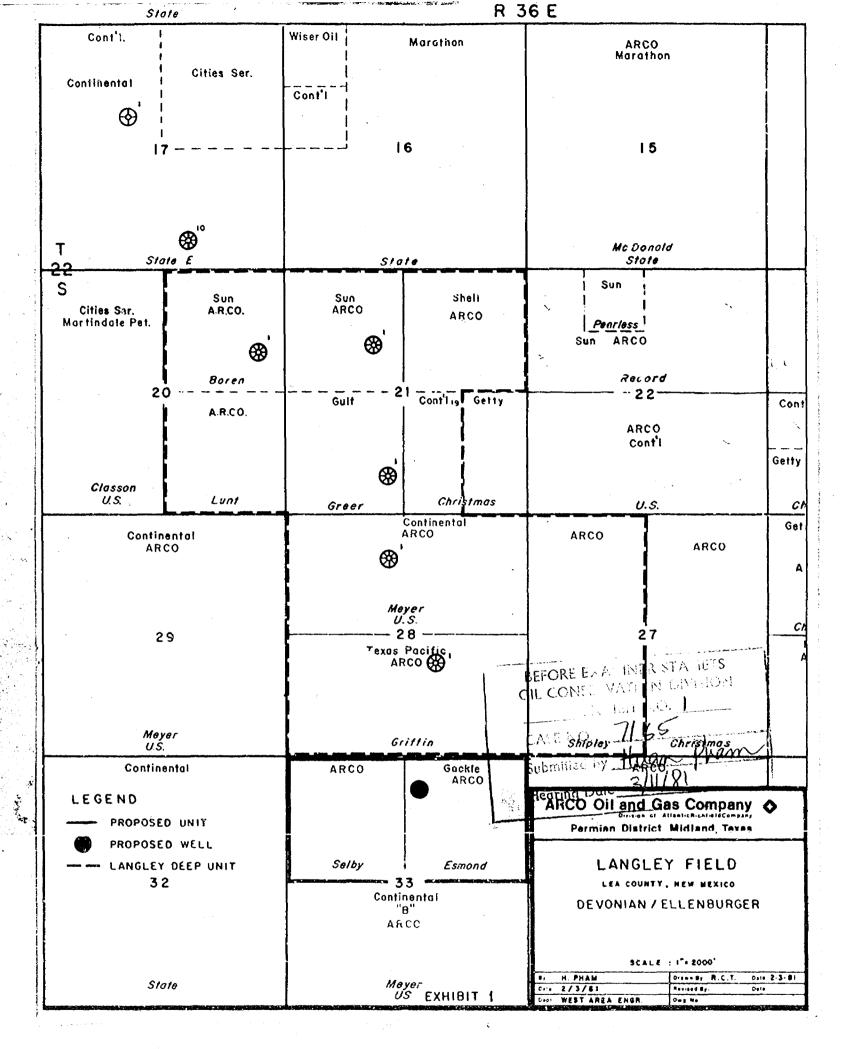
EXHIBIT "A"
PAGE 4

GAS POOLING AGREEMENT AND GAS UNIT DESIGNATION

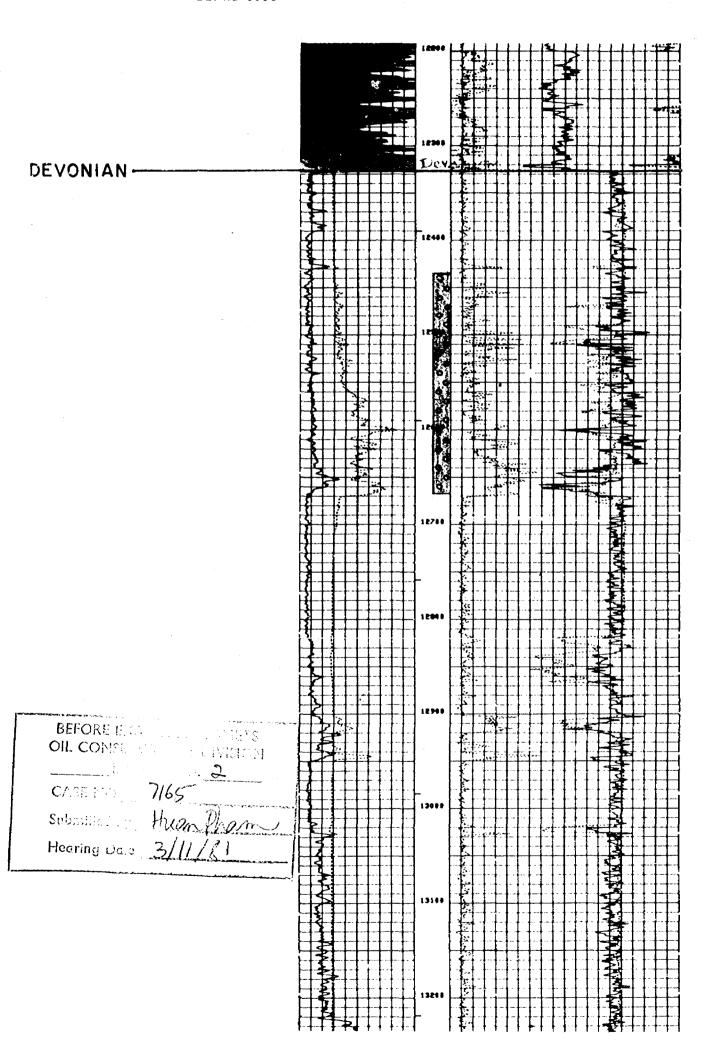
DATED FEBRUARY 20, 1981

OPERATOR: ATLANTIC RICHFIELD CO.

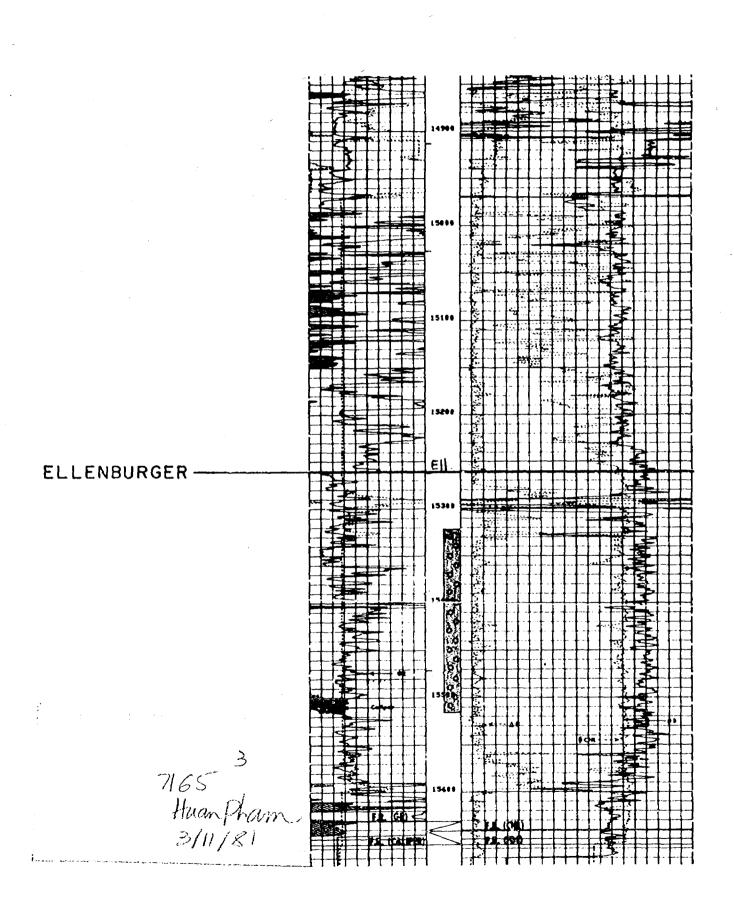
LEA COUNTY, NEW MEXICO



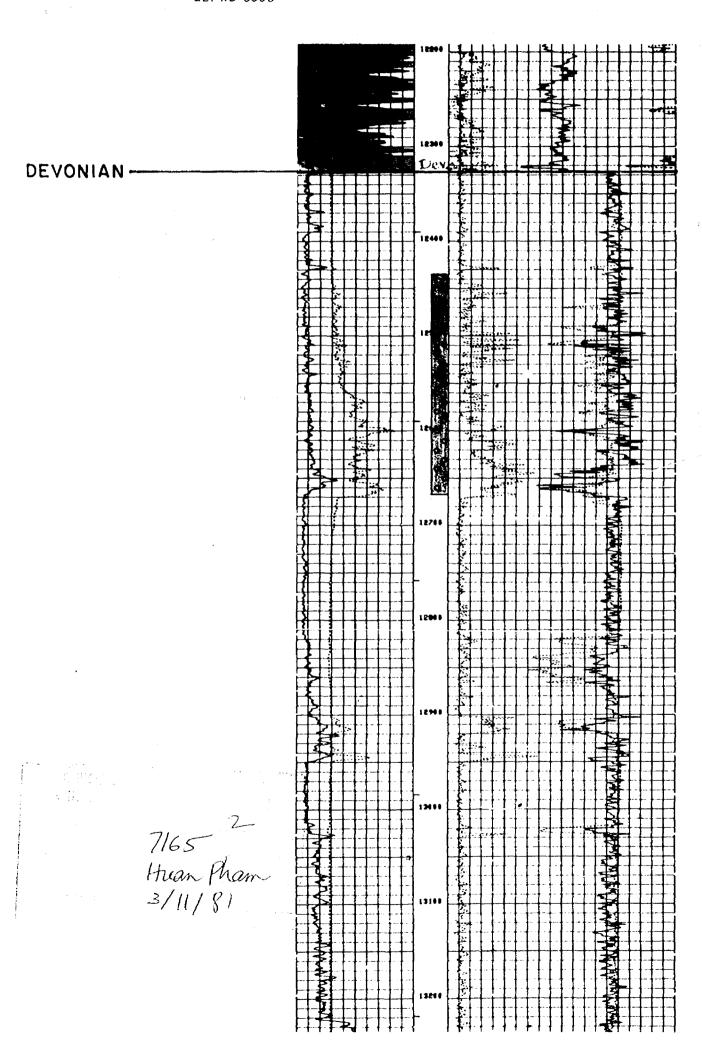
1980'FSL & 1980'FEL SEC. 28, T-22-S, R-36-E LEA COUNTY, NEW MEXICO EL. KB 3508



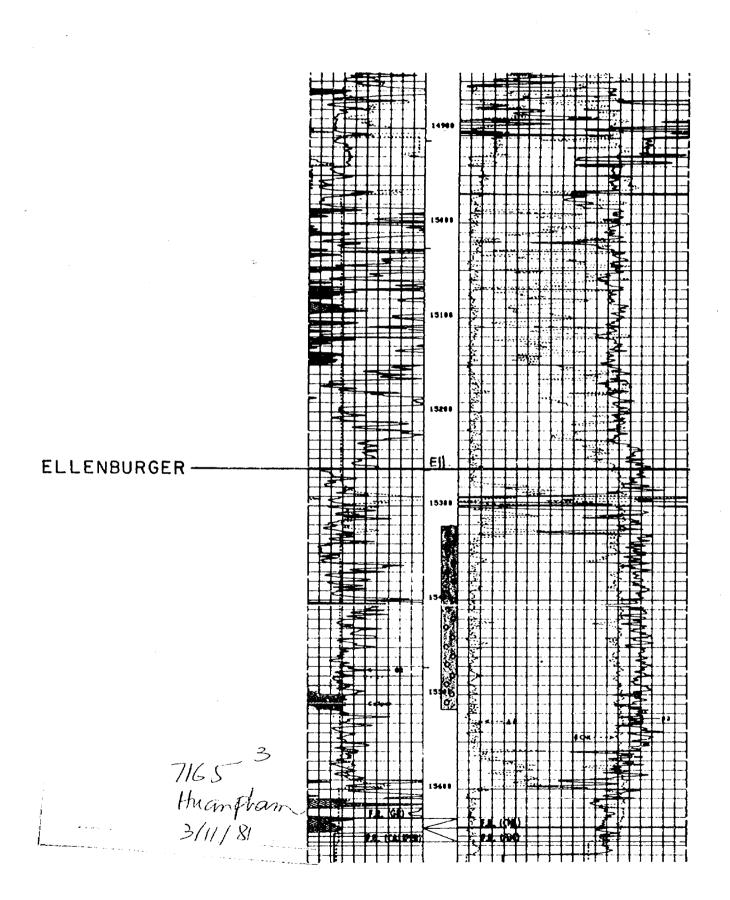
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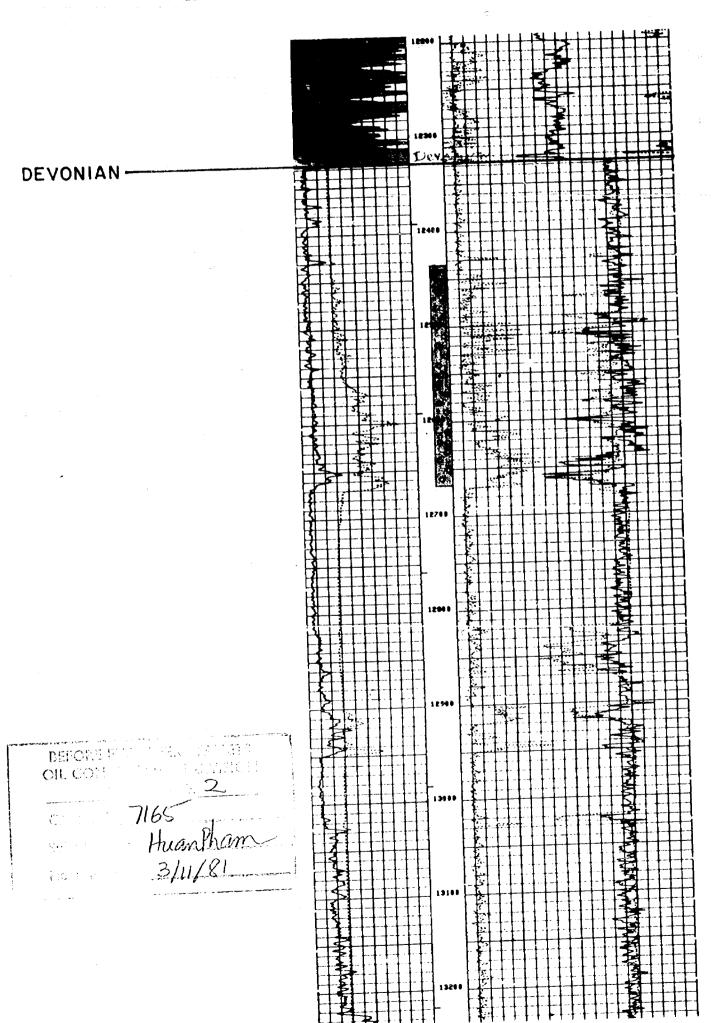
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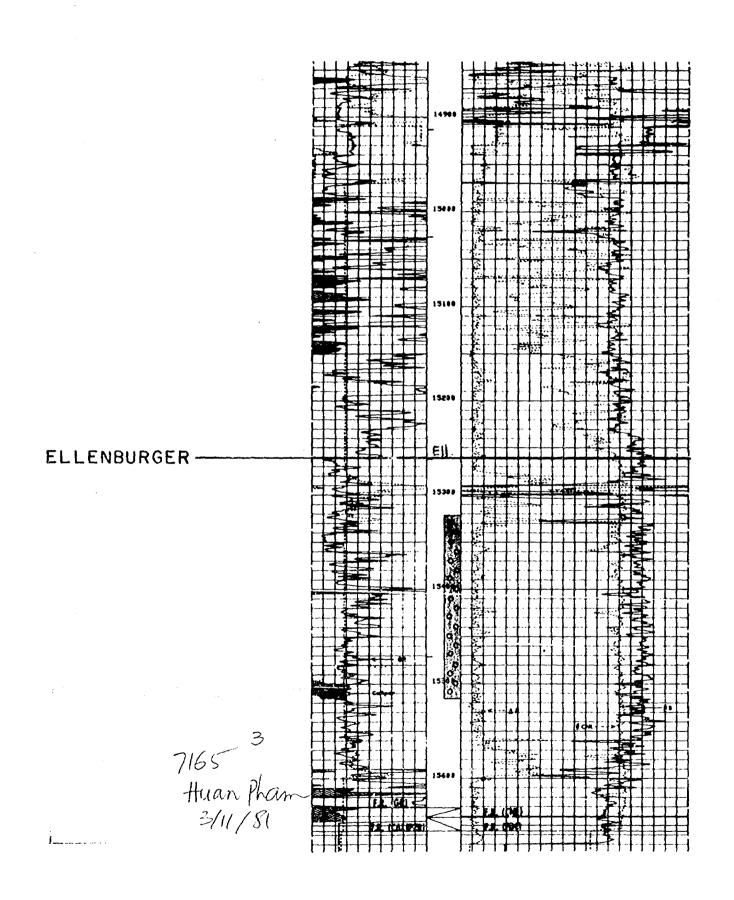
1980'FSL & 1980'FEL SEC. 28, T-22-S, R-36-E LEA COUNTY, NEW MEXICO EL. KB 350R



1980'FSL & 1980'FEL SEC.28, T-22-S, R-36-E LEA COUNTY, NEW MEXICO EL. KB 3508



1980 FSL 8 1980 FEL SEC. 28, T-22-5, R-36-E LEA COUNTY, NEW MEXICO EL. KB 3508



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	ENERGY AND OIL CONS STATE D SANTA	C OF NEW MEXICO D MINERALS DEPARTMENT SERVATION DIVISION LAND OFFICE BLDG. FE, NEW MEXICO February 1981	
	EXA	MINER HEARING	
IN THE M	ATTER OF: Application of ARC pany for compulsor County, New Mexico		CASE 7165
BEFORE:	Daniel S. Nutter	مند المدا المدا حدد حدد عدد عدد عدد عدد عدد عدد عدد عدد	
	TRANSCR	IPT OF HEARING	
	APPE	ARANCES	
For the Divisi	Oil Conservation on:	Ernest L. Padilla Legal Counsel to State Land Office Santa Fe, New Mex	the Division Bldg.
For the	Applicant:		

MR. NUTTER: Call next Case Number 7165. MR. PADILLA: Application of ARCO Oil and Gas Company for compulsory pooling, Lea County, New Mexico. MR. NUTTER: Applicant has requested continuance in this case. It will be continued to the Examiner Hearing scheduled to be held at this same place at 9:00 o'clock a. m. March 11th, 1981. (Hearing concluded.)

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CERTIFICATE

I, SALLY W. BOYD, C.S.R., DO HEREPY CERTIFY that the foregoing Transcript of Hearing before the Oil Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability.

Sally W. Boyd C.S.R.

I do here is county that the foregoing is a complete report of the proceedings in the Examiner hearing of Case No. 19.81. Oil Conservation Division

SALLY W. BOYD, C.S.R. Rt. 1 Box 193-B Santa Fe, New Mexico 87501 Phone (503) 455-7409

STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION STATE LAND OFFICE BLDG. SANTA FE, NEW MEXICO 25 February 1981 EXAMINER HEARING IN THE MATTER OF: Application of ARCO Oil and Gas Com-) pany for compulsory pooling, Lea CASE County, New Mexico. 7165 BEFORE: Daniel S. Nutter 11 12 TRANSCRIPT OF HEARING 13 14 APPEARANCES 15 16 For the Oil Conservation Ernest L. Padilla, Esq. 17 Division: Legal Counsel to the Division State Land Office Bldg. 18 Santa Fe, New Mexico 87501 19 20 For the Applicant: 22

MR. NUTTER: Call next Case Number 7165. MR. PADILLA: Application of ARCO Oil and Gas Company for compulsory pooling, Lea County, New Mexico. MR. NUTTER: Applicant has requested continuance in this case. It will be continued to the Examiner Hearing scheduled to be held at this same place at 9:00 o'clock a. m. March 11th, 1981. (Hearing concluded.)

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CERTIFICATE

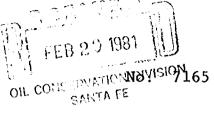
I, SALLY W. BOYD, C.S.R., DO HEREPY CERTIFY that the foregoing Transcript of Hearing before the Oil Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability.

> Y do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 7/65. neard by me on__ _, Examiner

Oil Conservation Division

BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION

APPLICATION OF ARCO OIL AND GAS COMPANY FOR COMPULSORY POOLING IN THE LANGLEY-ELLENBURGER GAS POOL IN SECTION 33, TOWNSHIP 22 SOUTH, RANGE 36 EAST, LEA COUNTY, NEW MEXICO



AMENDED APPLICATION

COMES NOW Arco Oil and Gas Company, by its attorneys, and applies for an order pooling all mineral interests in the N. 1/2 of Section 33, T. 22 S., R. 36 E., Lea County, New Mexico, for the purpose of forming a 320 acre proration and spacing unit in the Langley-Ellenburger Gas Pool in Lea County, New Mexico, and in support of its application states:

- 1. Applicant is a working interest owner of certain interests in the N. 1/2 of Section 33, T. 22 S., R. 36 E., Lea County, New Mexico.
- 2. Applicant has proposed to drill a well (Langley Esmond Com. No. 1) on the aforesaid acreage, the well being located 660 feet from the north line and 2,310 from the east line of said Section 33, which well is presently projected from a depth of 4,000 feet to the base of the Ellenburger formation (approximately 15,900 feet) in the Langley-Ellenburger Gas Pool.
- 3. Applicant proposes to dedicate the entire N. 1/2 of Section 33, comprised of 320 acres, to the well and has sought joinder of all other mineral interest owners in the N. 1/2 of Section 33 for said purpose. Attached hereto is a list of the mineral interest owners and the percentage interest owned by each of them.
- 4. Although Applicant attempted to obtain voluntary agreements of all mineral interest owners in the drilling of the well, there are still some mineral interest owners who have refused to

join in dedicating their acreage and Applicant seeks an order from the Commission pooling all mineral interests in the N. 1/2 of Section 33, pursuant to Section 70-2-17, N.M.S.A. 1978.

- 5. The Commissioners' order to be entered pursuant to this application should designate Applicant as operator of the proposed well and should provide a reasonable charge for supervision and for the risk involved in drilling this well. Applicant requests that 200% of the non-consenting working owners' pro-rata share of the cost of drilling and completing this well be fixed as the charge for the risk involved in its drilling.
- 6. Approval of this application will prevent the drilling of unnecessary wells, protect correlative rights and prevent waste.

MONTGOMERY & ANDREWS, P.A.

By Jan R Kilpertic

P.O. Box 2307

Santa Fe, New Mexico 87501

Attorneys for Applicant

TRACT PARTICIPANTS

	Tract Participation, %
ARCO Oil and Gas Company	25.0
*Monsanto Company	12.5 V
**Sun Texas Company	25.0
Gackle Oil Company	13.19445
Management Trust	3.645848
Rufus Clay Trust	10.32985
Margaret Couch Trust	3.443284
Evelyn Clay O'Hara Trust	3.443284
Rufus "Pete" Clay, Jr. Trust	3.443284
	100.0

*Has executed AFE, but not the Joint Operating Agreement.

**Has executed neither AFE nor the Joint Operating Agreement.

All others have executed necessary documents for participation.

BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION

APPLICATION OF ARCO OIL AND GAS COMPANY FOR COMPULSORY POOLING IN THE LANGLEY-ELLENBURGER GAS POOL FEB 20 1981 No. 7165 IN SECTION 33, TOWNSHIP 22 SOUTH, FEB 20 1981 No. 7165 RANGE 36 EAST, LEA COUNTY, OIL CONSERVATION DIVISION SANTA FE

AMENDED APPLICATION

COMES NOW Arco Oil and Gas Company, by its attorneys, and applies for an order pooling all mineral interests in the N. 1/2 of Section 33, T. 22 S., R. 36 E., Lea County, New Mexico, for the purpose of forming a 320 acre proration and spacing unit in the Langley-Ellenburger Gas Pool in Lea County, New Mexico, and in support of its application states:

- 1. Applicant is a working interest owner of certain interests in the N. 1/2 of Section 33, T. 22 S., R. 36 E., Lea County, New Mexico.
- 2. Applicant has proposed to drill a well (Langley Esmond Com. No. 1) on the aforesaid acreage, the well being located 660 feet from the north line and 2,310 from the east line of said Section 33, which well is presently projected from a depth of 4,000 feet to the base of the Ellenburger formation (approximately 15,900 feet) in the Langley-Ellenburger Gas Pool.
- 3. Applicant proposes to dedicate the entire N. 1/2 of Section 33, comprised of 320 acres, to the well and has sought joinder of all other mineral interest owners in the N. 1/2 of Section 33 for said purpose. Attached hereto is a list of the mineral interest owners and the percentage interest owned by each of them.
- 4. Although Applicant attempted to obtain voluntary agreements of all mineral interest owners in the drilling of the well, there are still some mineral interest owners who have refused to

join in dedicating their acreage and Applicant seeks an order from the Commission pooling all mineral interests in the N. 1/2 of Section 33, pursuant to Section 70-2-17, N.M.S.A. 1978.

- 5. The Commissioners' order to be entered pursuant to this application should designate Applicant as operator of the proposed well and should provide a reasonable charge for supervision and for the risk involved in drilling this well. Applicant requests that 200% of the non-consenting working owners' pro-rata share of the cost of drilling and completing this well be fixed as the charge for the risk involved in its drilling.
- 6. Approval of this application will prevent the drilling of unnecessary wells, protect correlative rights and prevent waste.

MONTGOMERY & ANDREWS. P.A.

P.O. Box 2307 Santa Fe, New Mexico 87501

Attorneys for Applicant

TRACT PARTICIPANTS

	Tract Participation, %
ARCO Oil and Gas Company	25.0
*Monsanto Company	12.5
**Sun Texas Company	25.0
Gackle Oil Company	13.19445
Management Trust	3.645848
Rufus Clay Trust	10.32985
Margaret Couch Trust	3.443284
Evelyn Clay O'Hara Trust	3.443284
Rufus "Pete" Clay, Jr. Trust	3.443284
	100.0

*Has executed AFE, but not the Joint Operating Agreement.

**Has executed neither AFE nor the Joint Operating Agreement.

All others have executed necessary documents for participation.

BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION

APPLICATION OF ARCO OIL AND GAS
COMPANY FOR COMPULSORY POOLING IN CERTIFIED
THE LANGLEY-ELLENBURGER GAS POOLING
IN SECTION 33, TOWNSHIP 22 SOUTH, FEB 20 1981
RANGE 36 EAST, LEA COUNTY,
NEW MEXICO
OIL CONS RVATION DIVISION
SANTA FE

AMENDED APPLICATION

COMES NOW Arco Oil and Gas Company, by its attorneys, and applies for an order pooling all mineral interests in the N. 1/2 of Section 33, T. 22 S., R. 36 E., Lea County, New Mexico, for the purpose of forming a 320 acre proration and spacing unit in the Langley-Ellenburger Gas Pool in Lea County, New Mexico, and in support of its application states:

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MONTGOMERY & ANDREWS, P.A.

Gary R. Kilpatric

P.O. Box 2307

Santa Fe, New Mexico 87501

Attorneys for Applicant

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All others have executed necessary documents for participation.

SEB 0 5 1981

BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION

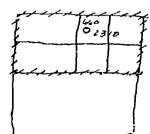
APPLICATION OF ARCO OIL AND GAS COMPANY FOR COMPULSORY POOLING IN THE LANGLEY-ELLENBURGER GAS POOL IN SECTION 33, TOWNSHIP 22 SOUTH, RANGE 36 EAST, LEA COUNTY, NEW MEXICO.

No. 7/65

APPLICATION

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- 3. Applicant proposes to dedicate the entire N. 1/2 of Scction 33, comprised of 320 acres, to the well and has sought joinder of all other mineral interest owners in the N. 1/2 of Section 33 for said purpose. Attached hereto is a list of the mineral interest owners and the percentage interest owned by each of them.
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- 6. Approval of this application will prevent the drilling of unnecessary wells, protect correlative rights and prevent waste.

MONTGOMERY & ANDREWS, P.A.

By Lary K Kulpul Gary R. Kilpatric

Santa Fe, New Mexico 87501

Attorneys for Applicant

BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION

APPLICATION OF ARCO OIL AND GAS OIL CO. COMPANY FOR COMPULSORY POOLING IN THE LANGLEY-ELLENBURGER GAS POOL IN SECTION 33, TOWNSHIP 22 SOUTH, RANGE 36 EAST, LEA COUNTY, NEW MEXICO.

No. 7/65

APPLICATION

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MONTGOMERY & ANDREWS, P.A.

Gary R. Kilpatric

P.O. Box 2307

Santa Fe, New Mexico 87501

Attorneys for Applicant

BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION

APPLICATION OF ARCO OIL AND GAS COMPANY FOR COMPULSORY POOLING IN THE LANGLEY-ELLENBURGER GAS POOL IN SECTION 33, TOWNSHIP 22 SOUTH, RANGE 36 EAST, LEA COUNTY, NEW MEXICO.

No. 7/6.5

APPLICATION

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MONTGOMERY & ANDREWS, P.A.

By Jary R Kilpatric

P.O. Box 2307

Santa Fe, New Mexico 87501

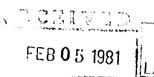
Attorneys for Applicant

BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION

APPLICATION OF ARCO OIL AND GAS COMPANY FOR COMPULSORY POOLING IN THE LANGLEY-ELLENBURGER GAS POOL IN SECTION 33, TOWNSHIP 22 SOUTH, RANGE 36 EAST, LEA COUNTY, NEW MEXICO.

No.	
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APPLICATION



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- 6. Approval of this application will prevent the drilling of unnecessary wells, protect correlative rights and prevent waste.

MONTGOMERY & ANDREWS, P.A.

by Dary R Kilpatric

Gary R. Kilpatric

Santa Fe, New Mexico 87501

Attorneys for Applicant

DRAFT

STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION

dr/

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING:

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CASE NO. 7165 Order No. R- 6649

APPLICATION OF ARCO OIL AND GAS COMPANY FOR COMPULSORY POOLING. LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on March 11 am d 19 81 , at Santa Fe, New Mexico, before Examiner Richard L. Stamets NOW, on this day of MoreM, 1981, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

- That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, ARCO Oil and Gas Company Ellenburger, 572 mekee, and Devonian formation:

 Mekee, and Devonian formation:

 Extensive Pool underlying the N/2 underlying the N/2 of Section 33 , Township 22 South 36 East ___, Range ___ Lea NMPM, Langles Field County, New Mexico.

- (3) That the applicant has the right to drill and proposes to drill a well __at a standard location thereon
- (4) That there are interest owners in the proposed proration unit who have not agreed to pool their interests.
- (5) That to avoid the drilling of unnecessary wells, 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 fair share of the gas in said pool, the subject application should be approved by pooling all mineral interests, whatever they may be, within said unit.
- (6) That the applicant should be designated the operator of the subject well and unit.
- (7) That any non-consenting working interest owner should be afforded the opportunity to pay his share of estimated well costs to the operator in lieu of paying his share of reasonable well costs out of production.
- (8) That any non-consenting working interest where who does not pay his share of estimated well costs should have withheld from production his share of the reasonable well costs plus an additional percent thereof as a reasonable charge for the risk involved in the drilling of the well.
- (9) That any non-consenting interest owner should be afforded the opportunity to object to the actual well costs but that actual well costs should be adopted as the reasonable well costs in the absence of such objection.
- (10) That following determination of reasonable well costs, any non-consenting working interest owner who has paid his share of estimated costs should pay to the operator any amount that reasonable well costs exceed estimated well costs and should receive from the operator any amount that paid estimated well costs exceed reasonable well costs.

(11) That \$per month while drilling and
per month while producing should be fixed as reason-
able charges for supervision (combined fixed rates); that the
operator should be authorized to withhold from production the
proportionate share of such supervision charges attributable to
each non-consenting working interest, and in addition thereto,
the operator should be authorized to withhold from production the
proportionate share of actual expenditures required for operating
the subject well, not in excess of what are reasonable, attributed
to each non-consenting working interest.
(7) (12) 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 thereof upon demand and
proof of ownership.
(8)(13) That upon the failure of the operator of said pooled
unit to commence drilling of the well to which said unit is
dedicated on or before <u>August 1,1981</u> , the order
pooling said unit should become null and void and of no effect
whatsoever.
Wind Chock C. T.
IT IS THEREFORE ORDERED:
IT IS THEREFORE ORDERED: (1) That all mineral interests, whatever they may be, Ellenburger, Strawn, McKec, and Devonion for marions in the leaster-Ellenburger confrontation underlying the N/2 of Section 33 , Township 22 South , Range 36 East ,
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IT IS THEREFORE ORDERED: (1) That all mineral interests, whatever they may be, Ellenburger, Strawn, McKee, and Devonian formations in the Carter-Eldenburger Conflormation underlying the N/2 of Section 33, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico, are hereby pooled to form a standard 320- acre gas spacing and provation unit to be dedicated to a well to be drilled
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(1) That all mineral interests, whatever they may be, Ellenburger, Strawn, Miller, and Devotrian formations in the Complete Elaphorest Proofficient formation underlying the N/2 of Section 33 , Township 22 South , Range 36 Fast , NMPM, Lea County, New Mexico, are hereby pooled to form a standard 320- acre gas spacing and proration unit to be dedicated to a well to be drilled at a standard location thereon PROVIDED HOWEVER, that the operator of said unit shall commence the drilling of said well on or before the /s day of Trugust , 1981, and shall thereafter continue the drilling of said well with due diligence to a depth sufficient to test of said well with due diligence to a depth sufficient to test of the above Obserbed formations; PROVIDED FURTHER, that in the event said operator does not commence the drilling of said well on or before the /s day of
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PROVIDED FURTHER, that should said well not be drilled to completion, or abandonment, within 120 days after commencement thereof, said operator shall appear before the Division Director and show cause why Order (1) of this order should not be rescinded.

- (2) That ARCO Oil and Gas Company is hereby designated the operator of the subject well and unit.
- (3) That after the effective date of this order and within 00 days prior to commencing said well, the operator shall furnish the Division and each known working interest owner in the subject unit an itemized schedule of estimated well costs.
- estimated well costs is furnished to him, any non-consenting working interest owner shall have the right to pay his share of estimated well costs to the operator in lieu of paying his share of reasonable well costs out of production, and that any such owner who pays his share of estimated well costs as provided above shall remain liable for operating costs but shall not be liable for risk charges.
- known working interest owner an itemized schedule of actual well costs within 90 days following completion of the well; that if no objection to the actual well costs is received by the Division and the Division has not objected within 45 days following receipt of said schedule, the actual well costs shall be the reasonable well costs; provided however, that if there is an objection to actual well costs within said 45-day period the Division will determine reasonable well costs after public notice and heaving.
- (6) That within 60 days following determination of reasonable well costs, any non-consenting working interest owner who has paid his share of estimated costs in advance as provided

-5dase No. Order No. R-

above shall pay to the operator his pro rata share of the amount that reasonable well costs exceed estimated well costs and shall receive from the operator his pro rata share of the amount that estimated well costs exceed reasonable well costs.

- (7) That the operator is hereby authorized to withhold the following costs and charges from production;
 - (A) The pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not paid his share of estimated well costs within 30 days from the date the schedule of estimated well costs is furnished to him.
 - (B) As a charge for the risk involved in the drilling of the well, _____ percent of the pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not paid his share of estimated d well costs within 30 days from the date the schedule of estimated well costs is furnished to him.
- (8) That the operator shall distribute said costs and charges withheld from production to the parties who ad anced the well costs.
- per month while drilling and

 per month while producing are hereby fixed as

 reasonable charges for supervision (combined fixed rates); that the

 operator is hereby authorized to withhold from production the

 proportionate share of such supervision charges attributable to

 each non-consenting working interest, and in addition thereto, the

 operator is hereby authorized to withhold from production the

 proportionate share of actual expenditures required for operating

 such well, not in excess of what are reasonable, attributable to

 each non-consenting working interest.

-6-Case Order No.

- a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest for the purpose of allocating costs and changes under the terms of this order.
- (11) That any well costs or charges which are to be paid out of production shall be withheld only from the working interests share of production, and no costs or charges shall be withheld from production attributable to royalty interests.
- (3)(12) That all proceeds from production from the subject well which are not disbursed for any reason shall immediately be placed in escrow in Lea County, New Mexico, to be paid to the true owner thereof upon demand and proof of ownership; that the operator shall notify the Division of the name and address of said escrow agent within 30 days from the date of first deposit with said escrow agent.
- (4) (13) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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