

IL CONSERVATION COMMISSIO
SANTA FE, NEW MEXICO

February 23, 1946

Honorable Clarence E. Hinkle
Hervey, Bow & Hinkle
Roswell, New Mexico

Re: Case 67 - Order No. 628

My dear Clarence:

This is to acknowledge receipt of the approved copy of the Rocky Arroyo Unit Agreement forwarded in your letter of February 19. Said approved copy is today filed in the case.

Kindest personal regards.

Very truly yours,

Chief Clerk & Legal Adviser

CHL:MS

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J. M. HERVEY
HIRAM M. DOW
CLARENCE E. HINKLE
W. E. BONDURANT, JR.

LAW OFFICES
HERVEY, DOW & HINKLE
ROSWELL, NEW MEXICO

February 19, 1946

GEORGE H. HUNKER, JR.

New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Attention: Carl B. Livingston

Dear Mr. Livingston:

This will acknowledge receipt of your letter of February 15, 1946, relative to the filing or an approved copy of the Rocky Arroyo Unit Agreement with the Oil Conservation Commission.

In view of what you state in your letter and the fact that if production is obtained the allowable will be fixed on the basis of the proration units in the agreement, we have determined that it would be best to file an approved copy with the Commission, which we enclose herewith.

Yours very truly,

HERVEY, DOW & HINKLE

BY 

CEH/c
encls.

cc- Mr. R. A. Pierce
Potash Company of America
Carlsbad, New Mexico

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

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December 11, 1945

Honorable Clarence Hinkle
Hervey, Dow, Hill & Hinkle
Roswell, New Mexico

Re: Case No. 67 - Order No. 628.

Dear Clarence:

Enclosed please find an original of the above captioned
order and one copy thereof.

Very truly yours,

Chief Clerk & Legal Adviser

CBL:MS

CASE 71.

In the matter of the application of Gulf Oil Corporation
for an order fixing an appropriate limiting gas-oil ratio
for the Drinkard-Yeso Pool and any extensions thereof.

Given under the seal of said Commission at Santa Fe, New Mexico,
on November 21, 1945.

OIL CONSERVATION COMMISSION

BY:

R. R. Spurrier
R. R. SPURRIER, SECRETARY

SEAL

IL CONSERVATION COMMISSIO
SANTA FE, NEW MEXICO

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November 21, 1945

Honorable Clarence E. Hinkle
Hervey, Dow, Hill & Hinkle
Roswell, New Mexico

Re: Case 67 - Rocky Arroyo Unit Agreement

Dear Clarence:

The Commission has set the above captioned case,
with others, to be heard December 8 at 10 A.M., at
Santa Fe.

Please indicate that you have received this notice.

Kindest personal regards.

Very truly yours,

Chief Clerk & Legal Adviser

CBL:MS

IL CONSERVATION COMMISSIO
SANTA FE, NEW MEXICO

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November 21, 1945

Honorable Glenn Staley
Proration Office
Hobbs, New Mexico

Dear Glenn:

Attached please find notice of hearing on December 8
at 10 A.M., as to the several cases mentioned in said
notice.

Please indicate that you have received this notice.

Kindest personal regards.

Very truly yours,

Chief Clerk & Legal Adviser

CBL:MS

LAW OFFICES
HERVEY, DOW, HILL & HINKLE
ROSWELL, NEW MEXICO

J. M. HERVEY
HIRAM M. DOW
CURTIS HILL
CLARENCE E. HINKLE

November 7, 1945

W. E. BONDURANT, JR.

Mr. Carl Livingston
New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Re: Rocky Arroyo Unit
Agreement

Dear Carl:

We hand you herewith three copies of the proposed Rocky Arroyo Unit Agreement, together with three copies of the application of the Potash Company of America, the operator designated in the unit agreement, requesting that the same be approved by the New Mexico Oil Conservation Commission.

As stated in the application the unit agreement has been executed by a substantial number of owners of the oil and gas leases embracing lands within the unit area and it is expected that the unit agreement will be filed for the approval of the Secretary the early part of next week. Since the form of the unit agreement has been heretofore approved by the U. S. Geological Survey and by the Commissioner of Public Lands, we do not anticipate that there will be any considerable delay in obtaining the approval of the unit agreement, and it is hoped that the agreement will be approved by both the Secretary and the Commissioner of public lands by the latter part of this month.

We would like for the commission to set a date during the last week of this month, preferably the last few days in the month, for a hearing on the application, and for you to go ahead and give the required notice by publication.

Yours sincerely,

HERVEY, DOW, HILL & HINKLE

BY 

CEH/mds
Encs

JOSEF T. SKINNER
ATTORNEY AT LAW
PRINCETON, ILLINOIS

September 19, 1945.

New Mexico Oil Conservation Commission,
Sante Fe, New Mexico.

Gentlemen:-

According to your records you will find that Mr. Harley Lorenson, of Route 2, Sheffield, Illinois, is the owner of an oil and gas lease issued by the Commissioner of Public Lands of New Mexico, covering the SE $\frac{1}{4}$ NE $\frac{1}{4}$ and SW $\frac{1}{4}$ SE $\frac{1}{4}$ Sect. 36, Twp. 21 S. R. 23 E. N.M.P.M. Eddy County, New Mexico.

The Potash Company of America has forwarded to him for execution a unit agreement for the development and operation of the Rocky Arroyo Unit Area in Eddy County, New Mexico.

Mr. Lorenson has asked me to advise him whether or not to execute this agreement. I feel incompetent to advise him as I know nothing about oil leases, nor these unit agreements.

Will you please give me what information you can so I can advise him as to the advisability of entering into such an agreement. If you are not able to give me such information, I will appreciate it very much if you will inform me how I can get such information. Of course it would be advisable for me to know something about the responsibility of the Potash Company of America. Any information you can give me will be greatly appreciated.

Respectfully yours,

JTS:RR

Josef T. Skinner

Answered 9-21-45 informally.

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

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October 16, 1945

Honorable Clarence Hinkle
Hervey, Dow, Hill & Hinkle
Roswell, New Mexico

Re: Rocky Arroyo Unit Agreement - Eddy County.

Dear Clarence:

Richfield has filed its petition for approval of its McMillan Unit Agreement, but both the Rocky Arroyo Unit Agreement and the Pure Agreement petitions have not been filed.

It is the Commission's practice to set all pending petitions for hearing at the same time. Please advise if your petition is to be filed soon.

Kindest personal regards.

Very truly yours,

Chief Clerk & Legal Adviser

CBL:MS

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

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September 13, 1945

Honorable Clarence Hinkle
Hervey, Dow, Hill & Hinkle
Roswell, New Mexico

Re: Rocky Arroyo Unit Agreement- Eddy County

Dear Clarence:

It is the Commission's desire that your petition for the approval of the above captioned matter be filed as soon as possible.

The setting for hearing of pending petitions now ready is being held off in order that the petitions for approval of the three pending unit agreements, which have not as yet been filed, may be filed. When the petitions have been filed all pending matters can then be heard at one time.

Very truly yours,

Chief Clerk & Legal Adviser

CBL:MS

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

August 9, 1945

Honorable Clarence Hinkle
Hervey, Dow, Hill & Hinkle
Roswell, New Mexico

Re: Proposed Rocky Arroyo Unit Agreement, Eddy County.

My dear Clarence:

Reference is made to your conversation by phone yesterday in connection with the above captioned proposed unit agreement. I conferred with Mr. George Graham, Attorney for the State Land Office, this morning and am happy to advise that our mutual view as to said proposed unit agreement is as follows:

Refer to Section 10 "Participation After Discovery". In the fifth line following the phrase "the public land survey" is the following phrase which is objected to and should be stricken "or aliquot parts thereof". The reason is because in both the State Land Office and in the Oil Conservation Commission reckonings are made in accordance with the legal subdivisions as described by the U. S. Public Land Surveys, which does not go below a 40-acre tract or lot. The aliquot parts provision would permit further subdivisions of the standard 40-acre tract or lot.

Both Mr. Graham and I, without binding either the Commission or the Commissioner of Public Lands, find that the proposed unit agreement in other respects is unobjectionable and does not change the state's control as provided in the Picacho Unit Agreement.

With kindest personal regards.

Very truly yours,

Chief Clerk & Legal Adviser

CEL:MS
cc George Graham

OIL CONSERVATION COMMISS V
SANTA FE, NEW MEXICO

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June 30, 1945

MEMORANDUM TO GOVERNOR DEMPSEY:

Re: Proposed Rocky Arroyo Unit Agreement,
Eddy County.

Submitted herewith for your information is a copy of the above captioned matter together with copy of letter from Clarence Hinkle, Esquire, dated June 21, 1945, which is self-explanatory.

This is the same project the Commission was requested to express its willingness to the Secretary of the Interior to proceed without the inclusion of the small amount of scattered state lands within the project. The Secretary of the Interior desires that the state lands be brought into the agreement or else refusals to join by the state lessees to be shown. Therefore, if and when the state parties have joined or refused to join and the Secretary has approved the proposed form of agreement a hearing before your Commission will be necessary.

Heretofore the Picacho Unit Agreement has been taken as a model. The instant agreement makes several changes but these changes affect the operators and do not seem to make any material change insofar as the Oil Conservation Commission and the Commissioner of Public Lands are concerned.

OIL CONSERVATION COMMISSION

Chief Clerk & Legal Adviser

OIL CONSERVATION COMMISS N
SANTA FE, NEW MEXICO

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June 30, 1945

MEMORANDUM TO COMMISSIONER OF PUBLIC LANDS MILES:

Re: Proposed Rocky Arroyo Unit Agreement,
Eddy County.

Submitted herewith for your information is a copy of the above captioned matter together with copy of letter from Clarence Hinkle, Esquire, dated June 21, 1945, which is self-explanatory.

This is the same project the Commission was requested to express its willingness to the Secretary of the Interior to proceed without the inclusion of the small amount of scattered state lands within the project. The Secretary of the Interior desires that the state lands be brought into the agreement or else refusals to join by the state lessees to be shown. Therefore, if and when the state parties have joined or refused to join and the Secretary has approved the proposed form of agreement a hearing before your Commission will be necessary.

Heretofore the Picacho Unit Agreement has been taken as a model. The instant agreement makes several changes but these changes affect the operators and do not seem to make any material change insofar as the Oil Conservation Commission and the Commissioner of Public Lands are concerned.

OIL CONSERVATION COMMISSION

Chief Clerk & Legal Adviser

OIL CONSERVATION COMMISS N
SANTA FE, NEW MEXICO

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June 30, 1945

Honorable Clarence Hinkle
Mervey, Dow, Hill & Hinkle
Roswell, New Mexico

Re: Rocky Arroyo Unit Agreement, Eddy County.

My dear Clarence:

This is to acknowledge receipt of your letter of June 21 with regard to the changes in the above captioned proposed Unit Agreement, which changes you do not deem material insofar as the Commission is concerned.

A copy of the proposed Unit Agreement is being submitted to Governor Dempsey and Commissioner of Public Lands Miles, together with a copy of your letter.

Very truly yours,

Chief Clerk & Legal Adviser

CEL:MS

J M HERVEY
HIRAM M. DOW
CURTIS HILL
CLARENCE E. HINKLE

CEH: LF

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

June 16, 1945

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Honorable Clarence Hinkle
Hervey, Dow, Hill & Hinkle
Roswell, New Mexico

Re: Rocky Arroyo Unit Agreement - Eddy County

My dear Clarence:

This is to acknowledge receipt of the proposed unit agreement noted in the caption, submitted in your letter of June 13.

In a preliminary, quick examination of the agreement I fear that this agreement is a pronounced departure from the Picacho Unit Agreement.

The situation is simply this: The Commission, the Commissioner of Public Lands and the Secretary of the Interior consumed over ten years in the endeavor to reach a mutually acceptable agreement that was finally accomplished last year in the form of the Picacho Unit Agreement. Both the Commission and the Commissioner of Public Lands fully understand what is acceptable to them when the Picacho Unit Agreement Form is followed, but a distinct departure from that form may or may not be acceptable to those two departments. At any rate a wide variation from the Picacho Unit Agreement form tends to slow up the passing upon the changed form. The underlying idea of selecting the Picacho Unit Agreement for study was for the express purpose of working out a form that would be acceptable so as not to make it necessary for all departments concerned to make a new detailed study. While the changes in the proposed agreement may not be material, why should the agreement be revised when so much time and study has already been consumed in reaching the Picacho Unit Agreement form that was understood to be mutually acceptable?

With kindest personal regards.

Very truly yours,

Chief Clerk & Legal Adviser

CHL:MS
cc George Graham

CARBON

LAW OFFICES

HERVEY, DOW, HILL & HINKLE
ROSWELL, NEW MEXICO

J. M. HERVEY
HIRAM M. DOW
CURTIS HILL
CLARENCE E. HINKLE
W. E. BONDURANT, JR.

June 13, 1945

Honorable John E. Miles
Commissioner of Public Lands
State House
Santa Fe, New Mexico

Dear Sir:

Re: Rocky Arroyo Unit Agreement,
Eddy County, N. M.

We hand you herewith two copies of proposed form for use in connection with the Rocky Arroyo Unit Agreement, Eddy County, New Mexico. We enclose for your information copy of our letter today to Mr. Carl Livingston of the Oil Conservation Commission from which you can see the matters which have transpired heretofore.

As stated in the letter to Mr. Livingston, the Washington office of the U.S.G.S. has required that a substantial portion of the state oil and gas leases within the unit area be committed to the same. The form of the proposed unit agreement is substantially the same form as used in the Picacho Unit Agreement which has been heretofore approved by the Commissioner of Public Lands and the Oil Conservation Commission and we would like to have your informal approval of the form before it is finally executed for formal approval. If you have any objections to the form we should like to be advised of the same as quickly as possible.

With kindest regards, we are,

Yours very truly,

HERVEY, DOW, HILL & HINKLE

By



CER:LF
cc-Mr. Carl Livingston
Oil Conservation Commission
Santa Fe, New Mexico

LAW OFFICES
HERVEY, DOW, HILL & HINKLE
ROSWELL, NEW MEXICO

J. M. HERVEY
HIRAM M. DOW
CURTIS HILL
CLARENCE E. HINKLE

June 13, 1945

Mr. Carl Livingston, Attorney
Oil Conservation Commission
Santa Fe, New Mexico

Dear Carl: Re: Rocky Arroyo Unit Agreement -
 Eddy County, N. M.

You will recall that you very kindly obtained for us a letter from the Commission to the Secretary of the Interior stating that so far as the Oil Conservation Commission was concerned it would not be necessary to commit any state lands to the proposed Rocky Arroyo Unit Agreement.

The Washington office of the U.S.G.S. has required as a condition to the approval of the agreement that a substantial portion of the state oil and gas leases involved be committed to the unit agreement. Consequently we have redrafted the agreement along the lines of the Picacho Unit Agreement which has heretofore been approved by the Oil Conservation Commission and hand you herewith three copies of the same. This agreement is complete except for Exhibit "A" which is the plat which will be attached to the agreement when executed showing the unit area, together with the ownership of the land and leases in the area. You will find that in all of the sections which mention the Secretary, Commissioner and Commission that they conform closely to the provisions of the Picacho agreement. There are a few changes in other paragraphs of the agreement to conform to the U.S.G.S. model form as revised; however, as we see it these are not material as far as the Commissioner and Commission are concerned.

Copies of the proposed form are being submitted for approval of the U.S.G.S. in Washington, and in the meantime we should like for you to consider the form of agreement with the Commissioner of Public Lands and give us an informal expression as soon as possible as to whether there are any objections to the form from the standpoint of either the Commissioner or the Oil Conservation Commission. In other words, we are endeavoring to have the form approved by all parties concerned before it is finally

Page 2

executed and submitted for formal approval and your cooperation toward this end will be greatly appreciated.

Yours truly,

HERVEY, DOW, HILL & HINKLE

By 

CEH:LF

cc-Commissioner of Public Lands
State House
Santa Fe, New Mexico

Messrs. Lewis & Grant
First National Bank Building
Denver, Colorado

Mr. E. C. Finney
3536 Edmunds Street, N.W.
Washington 7, D. C.

The Potash Company of America
Carlsbad, New Mexico

Mr. Neil H. Wills
Carlsbad, New Mexico

November 23, 1913.

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Potash Company of America
Carlsbad, New Mexico

Attention of Mr. S. P. Corps

Re: Termination of Rocky
Arroyo Unit Agreement,
Rocky County, New Mexico

Gentlemen:

Effective under the conditions herein below
stated, the undersigned Commissioner of Public Lands
hereby approves Potash Company of America's (Unit
Operator) application to terminate the Rocky Arroyo
Unit Agreement.

The conditions:

- (1) Like approval being formally secured from
the proper authorities of the Department of Interior.
- (2) That photostatic copies of the approved
plugging orders as evidence of proper plugging and for
satisfaction for State Land Office.

Very truly yours,

John E. Miller

JOHN E. MILLER
Commissioner of Public Lands

ILLEGIBLE

NEIL H. WILLS

P. O. BOX 529

CARLSBAD, N. M.

July 23, 1948



Case 67

Graham

New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Gentlemen:

Enclosed herewith, please find one executed copy of "Consent to Dissolution of Unit Agreement For The Development and Operation of the Rocky Arroyo Unit Area, Eddy County, New Mexico.

Very truly yours,

Neil H. Wills

Neil H. Wills

Page 67

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
UNITED STATES GEOLOGICAL SURVEY

CONSENT TO DISSOLUTION OF UNIT AGREEMENT
FOR THE DEVELOPMENT AND OPERATION OF THE
ROCKY ARROYO UNIT AREA, EDDY COUNTY,
NEW MEXICO

I. SEC. 432

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, as of September 13, 1945, a certain agreement was made and entered into for the development and operation of the Rocky Arroyo Unit Area, Eddy County, New Mexico, designated as I. Sec. No. 432, embracing the following described lands, to-wit:

E $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$, and S $\frac{1}{2}$ Section 33, All of Sections 34 and 35, Township 20 South, Range 24 East, All of fractional Sections 33, 34, 35 and 36, Township 20 $\frac{1}{2}$ South, Range 23 East, All of Sections 1, 2, 3, 4, 9, 10, 11, 12, 13, 14, 15, 16, 21, 22, 23, 24, 25, 26, 27, 28, 33, 34, 35 and 36, Township 21 South, Range 23 East, All of Sections 1, 2, 3, N $\frac{1}{2}$ and NE $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$ Section 4, E $\frac{1}{2}$ Section 9, All Sections 10 and 11, SW $\frac{1}{4}$ SW $\frac{1}{4}$ and N $\frac{1}{2}$ SW $\frac{1}{4}$ and NW $\frac{1}{4}$ Section 12, Township 22 South, Range 23 East, N.M.P.M., Eddy County, New Mexico;

and

WHEREAS, said unit agreement was approved by the New Mexico Oil Conservation Commission on December 10, 1945, and by the Commissioner of Public Lands of the State of New Mexico, on December 12, 1945, and by the Secretary of the Interior on January 28, 1946; and

WHEREAS, the Potash Company of America, a Colorado Corporation with offices at Carlsbad, New Mexico, was designated as Unit Operator under the terms of said agreement and, as such operator, commenced the drilling of a test well for oil and gas

located in the center of the SE $\frac{1}{4}$ NE $\frac{1}{4}$ Section 22, Township 21 South, Range 23 East, N.M.P.M., on or about the 28th day of April, 1946, and caused said well to be drilled to a depth of 4,007 feet, but that said well failed to encounter oil or gas in paying quantities and was abandoned on December 5, 1946; and

WHEREAS, said unit agreement provides that the same "may be terminated at any time by consent of the owners of 75%, on an acreage basis, of the owners of working interests signatory" thereto with the approval of the Secretary of the Interior; and

WHEREAS, the undersigned parties, being the owners of more than 75% of the working interests, on an acreage basis, of the oil and gas leases committed to said unit agreement, are desirous of terminating the same as provided by the terms of said agreement;

NOW, THEREFORE, the undersigned parties hereby consent to the dissolution and termination of the agreement for the development and operation of the Rocky Arroyo Unit Area, Eddy County, New Mexico, hereinabove referred to, and hereby agree, subject to the approval of the Secretary of the Interior, to the termination of said agreement and hereby request that this consent and termination be approved by the Secretary of the Interior.

IN WITNESS WHEREOF this instrument is executed on this the 19th day of July, 1948.

POTASH COMPANY OF AMERICA

By

G. F. Coops

ATTEST:

P. L. Dunn
act. Secretary

Unit Operator and co-owner of
Operating Agreements covering
Federal Leases.

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Neil H. Wills

Neil H. Wills
Co-Operator under Operating Agreements
covering Federal Leases.

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George D. Riggs

George D. Riggs
Co-Operator under Operating Agreements
covering Federal Leases.

-0-

Dora W. Payne

Dora W. Payne

Record Owner of Oil and Gas Lease
Las Cruces Serial No. 061741

-0-

Ray Hobbs

Ray Hobbs

Record Owner of Oil and Gas Lease
Las Cruces Serial No. 061764

-0-

George D. Riggs

George D. Riggs

Record Owner of Oil and Gas Lease
Las Cruces Serial No. 061744

-0-

Neil H. Wills

Neil H. Wills

Record Owner of Oil and Gas Lease
Las Cruces Serial No. 061746

-0-

Edith Riggs

Edith Riggs

Record Owner of Oil and Gas Lease
Las Cruces Serial No. 061745

-0-

Mary E. Wills

Mary E. Wills

Record Owner of Oil and Gas Lease
Las Cruces Serial No. 061743

-0-

Mrs. Estelle G. Woods

Mrs. Estelle G. Woods

Record Owner of Oil and Gas Lease
Las Cruces Serial No. 061663

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Louise Wertheim

Louise Wertheim

Record Owner of Oil and Gas Lease
Las Cruces Serial No. 061747

-0-

Thomas A. Brown

Thomas A. Brown

Record Owner of Oil and Gas Lease
Las Cruces Serial No. 061766

LAW OFFICES
HERVEY, DOW, HILL & HINKLE
ROSWELL, NEW MEXICO

J. M. HERVEY
HIRAM M. DOW
CURTIS HILL
CLARENCE E. HINKLE

November 23, 1945

W. E. BONDURANT, JR.

Mr. Carl B. Livingston
Chief Clerk & Legal Adviser
New Mexico Oil Conservation Commission
Santa Fe, New Mexico.

Re: Case 67 - Rocky Arroyo Unit
Agreement, Eddy County, N.M.

Dear Carl:

This will acknowledge receipt of your letter of November 21st, advising that the above case with others is to be heard before the Oil Conservation Commission on December 8, 1945 at 10 o'clock A.M., and which will be satisfactory.

With kindest regards.

Very truly yours,

HERVEY, DOW, HILL & HINKLE

BY 

CEH/mds