

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION)
OF RICHFIELD OIL CORPORATION, A)
DELAWARE CORPORATION, FOR AN ORDER)
OF APPROVAL OF THE UNIT AGREEMENT)
FOR THE DEVELOPMENT AND OPERATION)
OF THE COMANCHE AREA, CHAVES COUNTY.)
NEW MEXICO, WITHIN TOWNSHIP 10 SOUTH,)
RANGE 25 EAST, AND TOWNSHIP 11 SOUTH,)
RANGE 25 EAST, AND TOWNSHIP 10 SOUTH,)
RANGE 26 EAST, AND TOWNSHIP 11 SOUTH,)
RANGE 26 EAST, AND TOWNSHIP 11 SOUTH,)
RANGE 27 EAST, NEW MEXICO PRINCIPAL)
MERIDIAN.)

TO THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO:

The application of RICHFIELD OIL CORPORATION, a Delaware corporation, hereinafter referred to as "Applicant", respectfully shows:

I.

There is presented to the Oil Conservation Commission of the State of New Mexico the proposed form of Unit Agreement for the Development and Operation of the Comanche Area, Chaves County, New Mexico, hereinafter referred to as "said unit agreement"; that a true copy of the proposed form of unit agreement is attached hereto, marked "Exhibit A", and by reference made a part hereof; that the unit area described therein has heretofore been approved by the United States Geological Survey; that the form of unit agreement, Exhibit A, has heretofore been approved as to form by the Secretary of the Interior of the United States and a true copy of the letter-approval thereof is attached hereto, marked "Exhibit B", and by reference made a part hereof.

II.

That said unit agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in the geologic structure covered by the unit area described therein, which is hereinafter referred to as "said unit area". The granting of this application is necessary and advisable in the public interest in that said geologic structure and said unit area cover a compact area of sixteen thousand nine hundred one and 14/100 (16,901.14) acres, consisting of twenty-one and 89/100 per cent (21.89%) privately owned land, ten and 73/100 per cent (10.73%) land owned by the State of New Mexico and sixty-seven and 38/100 per cent (67.38%) land owned by the United States of America. The development of such an area by more than one operator operating independently of each other would result in duplication of effort, economic waste of materials and labor, and possible waste of natural resources and reservoir energy. The size of said unit area justifies operations on a large scale by a single operator under the unit agreement for the discovery, development, production and transportation of oil or gas, will promote conservation of natural resources, prevent avoidable waste of oil and gas, and result in better utilization of reservoir energy.

III.

That under the proposed unit operation the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the proposed unit area. Said unit agreement provides for the unit operation of the unit area, for the allocation of production to the various tracts of land therein on an acreage basis, all as specified in said unit agreement, Exhibit A, reference to which is hereby made for further particulars.

IV.

That the separate institutions will participate in rentals due as to lands in such area, as under the terms of the previously granted leases, and in royalties in the proportion that their acreage bears to the total acreage included in the participating area or areas of such proposed unit; that the said unit agreement does not affect the rentals payable under state leases and reference is hereby made to said unit agreement, Exhibit A, for further particulars as to the method and allocation of royalties on an acreage basis.

V.

That such unit agreement is in other respects for the best interests of the state with respect to state lands by reason of all the facts hereinabove set forth.

VI.

That it is anticipated that a very high percentage of the holders of rights or interests in state lands and in federal lands within said unit area will be satisfied with and will join in said proposed unit agreement and commit their interests thereto by signature thereto. That said unit agreement provides that the Working Interest Owners thereunder will enter into a private agreement defining the method and manner in which the costs of operations shall be charged to the accounts of the various owners of working interests and the reimbursement of Unit Operator for its operations, and the method and manner in which Unit Operator shall account to the Working Interest Owners for their respective shares of the revenue and benefits derived from operations under said unit agreement. Said unit agreement further provides that such private agreement shall not in any way modify any of the terms and conditions of said unit

agreement or relieve Unit Operator of any right or obligation established under said unit agreement, and in case of any inconsistency or conflict between said unit agreement and the private agreement said unit agreement shall prevail. Said private agreement is now being negotiated and has not yet been completed. Two authenticated copies of said private agreement when completed will be filed with this Honorable Commission for information purposes, and upon the approval of said unit agreement by the Commissioner of Public Lands of the State of New Mexico two authenticated copies of said private agreement will be filed with said Commissioner as provided for in section 7 of said unit agreement. No part of the costs and expenses of operations shall be charged to the Royalty Owners. The Royalty Owners, including the State of New Mexico, will not be affected by the private agreement between the Working Interest Owners and royalties will be paid on all unitized substances allocated to the various tracts of land within the participating area on an acreage basis as provided in said unit agreement.

VII.

Geological and Engineering Data:

That said unit area lies on the Northwestern Shelf of the South Permian structural Basin and includes parts of Township 10 South, Range 25 East, Township 11 South, Range 25 East, Township 10 South, Range 26 East, Township 11 South Range 26 East and Township 11 South, Range 27 East, New Mexico Principal Meridian, Chaves County, in the State of New Mexico. That said unit area is particularly described as follows:

T. 10 S., R. 25 E., sec. 36, S $\frac{1}{2}$ SE $\frac{1}{4}$.

T. 11 S., R. 25 E., sec. 1, all;
 sec. 2, E $\frac{1}{2}$ SE $\frac{1}{4}$;
 sec. 11, E $\frac{1}{2}$ E $\frac{1}{2}$;

secs. 12 and 13;
 sec. 14, $E\frac{1}{2}E\frac{1}{2}$;
 sec. 23, $E\frac{1}{2}NE\frac{1}{4}$;
 sec. 24, all;
 sec. 25, $NE\frac{1}{4}$, $NE\frac{1}{2}NW\frac{1}{4}$, $NE\frac{1}{4}SE\frac{1}{4}$.

T. 10 S., R. 26 E., sec. 31, lots 3,4, $E\frac{1}{2}SW\frac{1}{4}$, $SE\frac{1}{4}$;
 sec. 32, $S\frac{1}{2}$;
 sec. 33, $S\frac{1}{2}$;
 sec. 34, $S\frac{1}{2}S\frac{1}{2}$;
 sec. 35, $SW\frac{1}{4}SW\frac{1}{4}$.

T. 11 S., R. 26 E., (fractional) sec. 1, lots 1,2,3,4, $S\frac{1}{2}$;
 ✓ sec. 2, lots 1,2,3,4, $S\frac{1}{2}$;
 sec. 3, lots 1,2,3,4, $S\frac{1}{2}$;
 sec. 4, lots 1,2,3,4,5, $SE\frac{1}{4}$;
 sec. 9, lots 1,2,3,4, $E\frac{1}{2}$;
 secs. 10 to 14, inclusive;
 sec. 15, all;
 sec. 16, lots 1,2,3,4, $E\frac{1}{2}$;
 sec. 21, lots 1,2,3,4, $E\frac{1}{2}$;
 secs. 22, 23, 24;
 sec. 25, $N\frac{1}{2}$, $SW\frac{1}{4}$;
 secs. 26 and 27;
 sec. 28, lots 1,2,3,4, $E\frac{1}{2}$;
 sec. 33, lots 1,2, $NE\frac{1}{4}$;
 sec. 34, $N\frac{1}{2}$, $N\frac{1}{2}S\frac{1}{2}$;
 sec. 35, $N\frac{1}{2}$, $N\frac{1}{2}SW\frac{1}{4}$.

T. 11 S., R. 27 E., sec. 6, lots 1 to 6, inclusive,
 $E\frac{1}{2}SW\frac{1}{4}$, $SE\frac{1}{4}$;
 sec. 7, lots 1,2,3,4, $NE\frac{1}{4}$, $E\frac{1}{2}W\frac{1}{2}$;
 sec. 18, lots 1,2,3,4, $E\frac{1}{2}W\frac{1}{2}$;
 sec. 19, lots 1,2,3,4.

That there is contained in the form of said unit agreement, Exhibit A attached hereto, as Exhibit A thereto, a map outlining the unit area and showing by distinct symbols or colors state land, privately owned land, and land owned by the United States of America identified by Land Office serial numbers, and the ownership of all land in said unit area. Reference is hereby made to said map for further particulars.

A regional map showing the location of said unit area is attached hereto and marked "Exhibit C" and by reference made a part hereof.

Applicant has for over two years intensively explored for geologic structures favorable for oil accumulation in Chaves County, New Mexico. Among the several techniques used during this period the seismograph has proved to be the most reliable for those areas where acceptable results

can be obtained. After extensive use of all methods Applicant drilled an exploratory well to basement for stratigraphic information essential to evaluation of the oil possibilities. The results of this exploratory work have established that the proposed unit area is encouraging for exploration for commercial oil accumulation in deep strata. This conclusion is supported by a geologic report which was filed with the Department of the Interior of the United States of America In the Matter of the Application for Designation of the Comanche Unit Area by the United States Geological Survey. A copy of said geologic report has heretofore been filed with Mr. R. R. Spurrier, State Geologist of the State of New Mexico, and an identical geologic report has been filed concurrently herewith with your Honorable Commission.

Applicant hereby respectfully requests that said geologic report be considered confidential and that said geologic report be not disclosed except to those persons in the Conservation Commission of the State of New Mexico who are required to pass upon this application for an order of approval of said unit agreement. Said geologic report and its contents are hereby referred to in connection with this application.

VIII.

That the development of the pool or field underlying said unit area pursuant to the terms of said unit agreement will have the effect of preventing waste as prohibited by Chapter 72 of the Laws of New Mexico, 1935, and said agreement is fair to the Royalty Owners and the Working Interest Owners in such pool or field.

WHEREFORE, your Applicant respectfully requests that the Oil Conservation Commission of the State of New Mexico

NOTICE OF PUBLICATION
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

The Oil Conservation Commission, as provided by law, hereby gives notice of the following hearing to be held at Santa Fe, New Mexico at 10:00 A. M., May 8, 1946:

Case 73.

In the matter of the application of the Richfield Oil Corporation for an order of approval of the unit agreement for the development and operation of the Comanche Area within T. 10S, R. 25E, and T. 11S, R. 25E, and T. 10S, R. 26E, and T. 11S, R. 26E, and T. 11S, R. 27E, N. M. P. M., constituting a compact unit area of 16,901.14 acres, Chaves County, New Mexico.

Given under the seal of said Commission at Santa Fe, New Mexico on April 22, 1946.

OIL CONSERVATION COMMISSION

By: *R. R. Spurrier*
R. R. Spurrier, Secretary

SEAL

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OIL 2
OCT 8 - 1950
1150
October 2, 1950

C
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P
Y
Buffalo Oil Company
Gulf States Building
Dallas, Texas

Attention: Mr. Sam Cooper

Dear Sirs:

Re: Extension I- Sec - No. 452

I have examined the application of Buffalo Oil Company for extension of the above captioned Unit and hereby approve the requested extension for a period of time of six months from and after October 15, 1950, provided however a like extension is likewise approved by the proper officials of the Department of Interior.

Very truly yours,

Guy Shepard
GUY SHEPARD

Commissioner of Public Lands

cc: Mr. W. E. Scott, Buffalo Oil Co, Artesia, New Mexico
U. S. G. S., Roswell, New Mexico
Oil Conservation Commission, Santa Fe, New Mexico

ST/PA LABOR OFFICE
Santa Fe, New Mexico

OIL CONSERVATION COMMISSION
SACRAMENTO, CALIF.
JAN 10 1960

April 5, 1950

Buffalo Oil Company
Dallas, Texas

Attention of Mr. F. M. Stone

In Re: Comanche Unit
Chaves County, N.M.

Gentlemen:

This office is in receipt of a copy of application to the Secretary of the Interior, Washington, D. C. executed March 15, 1950 by the Buffalo Oil Company, successor unit operator of the Comanche Unit Agreement, (I-Sec. 452), Chavez County, New Mexico, for extension of time. This office will consider the copy as an application in order to expedite the matter of extending the time under the provisions of the original agreement for commencement of drilling operations.

The undersigned hereby consents to the extension of time of six months from and after April 15, 1950 within which the unit operator may commence their drilling operations under the terms of said Comanche Unit Agreement; provided, however, similar authorization for extension is granted by the Director of the U. S. Geological Survey, Department of the Interior.

Very truly yours,

GUY SHEPARD
Commissioner of Public Lands

AFFIDAVIT OF PUBLICATION

County of Chaves }
State of New Mexico, }

I, Thomas G. Summers

Publisher

Of the Roswell Daily Record, a daily newspaper published at Roswell, New Mexico, do solemnly swear that the clipping attached hereto was published once a week in the regular and entire issue of said paper, and not in a supplement there-

of for a period of _____

One weeks,

beginning with the issue dated _____

26 April, 1946

and ending with the issue dated _____

26 April, 1946

Thomas G. Summers
Publisher.

Sworn and subscribed to before me

this 3 day of _____

May, 1946

Marie H. Summers
Notary Public.

My commission expires _____

Mar. 9, 1948

(Seal)

Run April 26

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State of New Mexico
Oil Conservation Commission
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Given under the seal of said Commission at Santa Fe, New Mexico, on April 22, 1946.

Oil Conservation Commission
(Seal) By: R. R. Spurrier,
Secretary.