

RECORDED
JUN 11 4 12 PM '47
AM 4 11 4 M

DESIGNATION OF OPERATOR

The undersigned, record holders of oil and gas leases:

SW $\frac{1}{4}$ NW $\frac{1}{4}$ Section 32, Twp. 17 South, Range 30 East,
SE $\frac{1}{4}$ NW $\frac{1}{4}$ " 32 " 17 " " 30 "
N $\frac{1}{2}$ SW $\frac{1}{4}$ " 32 " 17 " " 30 E

hereby designate the Scheurich Unit, 321 White Building,
Roswell, New Mexico, as their operator and local agent, with
full authority to act in their behalf in complying with the
terms of the lease and regulations applicable thereto.

Kinfolks Trust

By *Bert Aston*

Aston and Fair

By *Bert Aston*

Bert Aston, R. W. Fair, C. A. Scheurich,
Mrs. Wirt Franklin, and Carl Hatch, a
joint ownership.

By *Bert Aston*

June 30, 1947

CERTIFICATE OF APPROVAL

STATE OF NEW MEXICO

The undersigned, having this day examined an Agreement for the unit operation and development entitled "The Scheurich Unit Agreement," covering SW $\frac{1}{4}$ NW $\frac{1}{4}$ and the SE $\frac{1}{4}$ of the NW $\frac{1}{4}$ and the N $\frac{1}{4}$ of the SW $\frac{1}{4}$ of Section 32, Township 17 South, Range 30 East, New Mexico, and

WHEREAS, upon examination thereof, the Commissioner finds:

a. That such an agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said field;


b. That under the operations proposed, the State will receive its fair share of the recoverable oil or gas in place under the lands affected;

c. That the agreement is in other respects for the best interest of the State;

d. That the agreement provides for the unit operation of the unit for the allocation of production and the sharing of proceeds from a part of the area covered by the agreement and as specified therein.

NOW, THEREFORE, by virtue of the authority conferred upon me by Chapter 88 of the Laws of New Mexico, approved April 14, 1943, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said "Scheurich Unit Agreement" and to the state lands included in the same, subject, however, to all of the provisions of the aforesaid Act.

EXECUTED this 21st day of July, 1947.



Commissioner of Public Lands
of the State of New Mexico

CLASS OF SERVICE

This is a full-rate Telegram or Cablegram unless its deferred character is indicated by a suitable symbol above or preceding the address.

WESTERN UNION

1201

SYMBOLS

DL=Day Letter

NL=Night Letter

I=Int'l Letter Telegram

VLT=Int'l Victory Ltr.

W. P. MARSHALL, PRESIDENT

The filing time shown in the date line on telegrams and day letters is STANDARD TIME at point of origin. Time of receipt STANDARD TIME at point of destination

LA03 SSA347

L.ARA034 PD=ARTESIA NMEX 2 1152A=

:R R SPURRIER=

OIL CONSERVATION COMMISSION SANTA FE NMEX=

:IS ORDER 708 IN EFFECT WRITE TODAY OR WIRE MONDAY=

:JUSTIN NEWMAN=

No

KS/11/2

708=

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

25
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
FEB 16 1953
REGISTERED

February 13, 1953

Subject: Scheurich Unit Agree-
ment, Eddy County,
New Mexico

Aston and Fair
% Bert Aston
Roswell, New Mexico

Gentlemen:

Our records reveal that the Scheurich Unit Agreement was approved by the New Mexico Oil Conservation Commission on June 6, 1947. The Unit involves the SE/4 NW/4, SW/4 NW/4, N/2 SW/4 of Section 32, Township 17 South, Range 30 East, N.M. L. N., Eddy County, New Mexico.

The primary term of the Unit Agreement expired on June 6, 1952. Please advise us if the Unit Agreement has been dissolved. If this has been the case please prepare ten executed copies of a Certificate and Consent of Dissolution of the Unit Agreement and forward to our office for approval. The forms will then be returned for submission to the United States Geological Survey for their consideration and approval.

Very truly yours,

E. S. WALKER
Commissioner of Public Lands

cc: U. S. Geological Survey
Roswell, New Mexico (3)
Oil Conservation Commission
Santa Fe, New Mexico (1)

OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

February 18, 1952

Mr. Roger Aston
321 White Building
Roswell, New Mexico

Dear Mr. Aston:

At the time of your visit to Santa Fe it was agreed that the Commission would cause notice to be published on its own motion, leading to the curing of the omission of Order 708 relative to the Scheurich Unit from Order 850. After a further check of the files, it has been found that upon discovery of the omission a nunc pro tunc order was issued by the Oil Conservation Commission in November 1951. I am pleased to enclose a copy of this order.

May we suggest that if you desire the old order 708, as reactivated by R-117, be amended that you file an application in triplicate with the Commission for such change as will be proper under the circumstances of your further development.

Very truly yours,

Secretary and Director

45

New Mexico

OIL CONSERVATION COMMISSION

GOVERNOR EDWIN L. MECHEM
CHAIRMAN

LAND COMMISSIONER GUY SHEPARD
MEMBER

STATE GEOLOGIST R. R. SPURRIER
SECRETARY AND DIRECTOR



ROOM 205, BOOKER BUILDING

Alamosa, New Mexico

Nov. 16, 1951

Mr. R. R. Spurrier,
Oil Conservation Commission,
Box 871,
Santa Fe, New Mexico

Dear Mr. Spurrier:

Order No. 708 was written on Case No. 96
on June 6, 1947. We are agreed that this order is still in
effect and I have so informed the Proration Manager.

Paragraph 3, on the back page of Order 708,
states:

"That if production is had in such completed
well, the same shall be entitled to such allowable as may be
determined by the Commission but not in excess of the allowable
for a 40 acre unit in the Loco Hills Field".

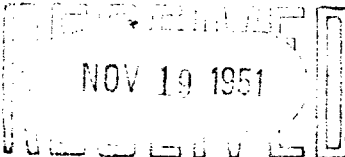
The operators have now drilled another well,
Aston & Fair No. 7-E Scheurich, in the center of the NW/4 SW/4
NW/4 of Section 32-17S-30E. This well is on the unit and the
operator proposes that the Proration Manager and the Commission
prorate the well according to Order No. 708.

I approve of this method of proration and Mr.
Bert Aston and Mr. Roger Aston, agents for Aston & Fair, requests
that this method be used. If this does not meet with your approv-
al, please wire the Proration Manager November 19th. I plan to
be in Santa Fe the 19, 20, and 21st.

Very truly yours,

OIL CONSERVATION COMMISSION

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO.



BY

Justin Newman
Justin Newman

Oil & Gas Inspector

JFH/lp

Nov. 16, 1951

Mr. A. L. Porter, Jr.,
Oil Conservation Commission,
Box 2045,
Hobbs, New Mexico

Dear Mr. Porter:

Will you please consider prorating
all the wells in the Scheurich unit according to Order
No. 708.

I would appreciate it very much if
you will return the copy of Order No. 708 to complete
my files.

Very truly yours,

OIL CONSERVATION COMMISSION

BY

Justin Newman
Oil & Gas Inspector

JPH/lp

cc: Mr. R. R. Spurrier

encl. Order No. 708
Form C-104
Form C-110
on 7-B Scheurich

96
Case

New Mexico

OIL CONSERVATION COMMISSION

GOVERNOR EDWIN L. MECHEM
CHAIRMAN

LAND COMMISSIONER GUY SHEPARD
MEMBER

STATE GEOLOGIST R. R. SPURRIER
SECRETARY AND DIRECTOR

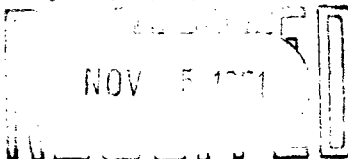


ROOM 205, BOOKER BUILDING

Artesia, New Mexico

Nov. 2, 1951

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO.



Mr. R. R. Spurrier,
Oil Conservation Commission,
Box 871,
Santa Fe, New Mexico

Dear Mr. Spurrier:

In answer to the questions you asked me on the telephone recently concerning Aston & Fair's new development in the Loco Hills area, I would like to point out that the Premier field is described as producing from the Grayburg. The Loco Hills field is described as producing from the Grayburg and San Andres. These pools are in reality two pools that have been joined together by several extensions. It would be against our general policy, and Nomenclature procedure, to rename the pool and classify it all as one pool. There are wells in both pools producing from either or both the Grayburg and San Andres.

When Aston & Fair recently completed their No. 7-B Scheurich, in the NW SW NW $\frac{1}{4}$ of Section 32-17S-30E., it was classified as a Premier well because it came within the boundaries of the Premier field. They left the upper section open, but did not shoot it, and drilled to the Grayburg, which in this locality is called the Premier sand, and got their production by Hydrofracing.

I have not been able to determine how Commission Order 708 was disposed of, but this order is not now in effect. It was an order relating to pooling of interests in specified leases in the N/2 of Section 32. The Proration Manager is now prorating these wells on a 40 acre unit basis.

When Aston & Fair completed their No. 7-B Scheurich they were already getting 8 barrels of oil per day from another well on the same unit. If they wanted an allowable on each well, it would be necessary to run a liner through the upper pay and cement that pay off. Then if they wanted to drill to a lower pay on the other well, it would be necessary to run a liner through the upper pay on it.

It has been demonstrated that wells in either area become marginal wells within six to eight weeks after they are brought in. It is to the advantage of operators and royalty owners to produce from both of these pays from the same well bore. The Grayburg and San

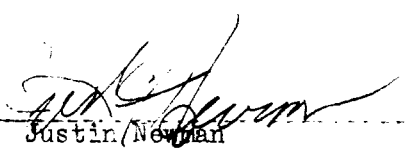
Andres are called a common source of supply in Artesia, Grayburg-Jackson, Maljamar, East Maljamar, Eunice-Monument, Robinson, Red Lake, Loco Hills and Vacuum pools.

Aston & Fair are now drilling a new well 1320 feet east of the well they have just brought in.

Very truly yours,

OIL CONSERVATION COMMISSION

BY


Justin Newman

Oil & Gas Inspector

JFN/lp

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

November 2, 1951

Case 96

C
O
P
Y

Mr. Justin Newman
205 Booker Building
Artesia, New Mexico

Dear Justin:

With reference to your wire concerning Order No. 708:
Order 708 was inadvertently omitted from the rules and regulations.

It will be necessary that we write an order to reactivate
No. 708.

Very truly yours,

RRS:bpw

Secretary and Director

STATE OF NEW MEXICO
OFFICE OF STATE GEOLOGIST
SANTA FE, NEW MEXICO

March 26, 1947

Donald S. Bush, Esq.
Artesia, New Mexico

IN RE: Case 96 - The Scheurich Unit For
Approval of a Unit Operation
Agreement Etc.

Dear Mr. Bush:

The Commission has set the hearing of the above captioned
petition in Santa Fe, New Mexico at 10:00 A.M., April 15, 1947.

With kindest regards.

Very truly yours,

CARL B. LIVINGSTON
Administrator

CBL:bsp

C

O

P

Y

STATE OF NEW MEXICO
OFFICE OF STATE GEOLOGIST
SANTA FE, NEW MEXICO

March 26, 1947

Mr. Chuck Aston
Artesia, New Mexico

IN RE: Case 96 - The Scheurich Unit For
Approval of a Unit Operation
Agreement Etc.

Dear Mr. Aston:

The Commission has set the hearing of the above captioned
petition in Santa Fe, New Mexico at 10:00 A.M., April 15, 1947.

With kindest regards.

Very truly yours,

CARL B. LIVINGSTON
Administrator

CBL:bsp

Case 96

R E S O L U T I O N

A motion made by Fred Brainerd and duly seconded by Bert Aston, was carried to the effect that the Loco Hills Pressure Maintenance Association, Inc. join in an application before the Oil Conservation Commission of the State of New Mexico for the approval of a Unit Operation Agreement for the Scheurich Unit; for the approval of an unorthodox location within the Scheurich Unit as set out in the petition on file before the Oil Conservation Commission and for a modification of Order No. 562 of the Commission insofar as said order pertains to the Scheurich lease, and that Martin Yates Jr. be authorized to sign said petition for such approval.

STATE OF NEW MEXICO)
COUNTY OF EDDY) SS.

I, Fred Brainerd, being of lawful age and first duly sworn on my oath state that I am secretary of the Loco Hills Pressure Maintenance Association, Inc. that the above and foregoing is a true and correct copy of a resolution passed by the executive committee of said Loco Hills Pressure Maintenance Association Inc. on the 25th day of March, 1947, at 2:00 p.m., all members of said executive committee being present and voting at said meeting.

Fred Brainerd

SUBSCRIBED and sworn to before me this 4th day of April, 1947.

Wacide Royhar
Notary Public

My Commission Expires:

March 3, 1949

A UNIT OPERATION AGREEMENT

This agreement made and entered into by and between the parties, whose signatures appear below, this 19 day of March, 1947,

WITNESSETH THAT WHEREAS the Kinfolks Trust, a Trust Estate is the owner of a certain oil and gas lease from the State of New Mexico insofar as it covers the SW/4 NW/4 of Section 32 Township 17, South Range 30 East, N.M.P.M., Eddy County, New Mexico, upon which is located the Kinfolks Trust-State No. 3, a producing well, and

WHEREAS Aston and Fair, a tenancy in common composed of Bert Aston and R. W. Fair, is the owner of a certain oil and gas lease from the State of New Mexico insofar as it covers the SE/4 NW/4 of said section 32, upon which is located the Aston and Fair-State No. 6B, a producing well, and

WHEREAS Bert Aston, R. W. Fair, C. A. Scheurich, Mrs. Wirt Franklin, and Carl Hatch, a joint ownership is the owner of a certain oil and gas lease insofar as it covers the N/2 SW/4 of Section 32 and that the Aston and Fair-Scheurich State No. 3, a producing well is located on the NW/4 SW/4 of said section 32 and the Aston and Fair-Scheurich State No. 4 well which is located on the NE/4 SW/4 of said Section 32, is now and has been since the date of the completion thereof been used as an input well, and

WHEREAS the parties hereto desire to operate all of said acreage as above described as a unit for the purpose of providing for the most efficient and economic recovery of oil and gas and to achieve the maximum ultimate recovery thereof without waste,

NOW THEREFORE it is mutually stipulated and agreed as follows:

1. That all of said tracts of land as above described shall be operated subject and subservient to the rules and regulations of the Loco Hills Pressure Maintenance Association Inc. and the orders of the Oil Conservation Commission of the

State of New Mexico, and that the area included in the lands above described shall be known as the Scheurich Unit.

2. That the Aston & Fair-Scheurich State No. 4 well located on the NE/4 SW/4 of said Section 32 shall be continued to be used as an input well in accordance with the rules and regulations of the Loco Hills Pressure Maintenance Association Inc. and order Number 562 of the Oil Conservation Commission effective April 1, 1944.

3. That in order to compensate the owners of the lease on which said input well is located for the loss of production from said input well, and subject to the approval of the Oil Conservation Commission of the State of New Mexico, the Scheurich Unit shall drill a well 2310 feet from the North line and 1260 feet from the West line of said Section 32. In view of the fact that the Aston and Fair-Scheurich State No. 4 well was capable of producing well in excess of the top allowable at the time of completion thereof, when it was designated as an input well, it is desired by the parties hereto to request a top allowable for the new well to be drilled on the unorthodox location as set out above, provided the Oil Conservation Commission of the State of New Mexico consents to said unorthodox location.

4. That the Scheurich Unit will operate all wells producing within the unit and that the production from all of the wells drilled or to be drilled on said lands within the unit area shall be divided among the owners thereof in the same proportion that the acreage owned by each party hereto bears to the whole area within said unit.

5. That the Scheurich Unit will not request a top allowable on any 40 acre tract within said Scheurich Unit unless the well on such 40 acre tract is capable of producing said top allowable.

Kinfolks Trust, a Trust Estate

By

R. W. Fair
R. W. Fair, Trustee.

Aston and Fair, a tenancy in common

By

Bert Aston
Bert Aston, Manager

Bert Aston, R.W. Fair, C.A. Scheurich,
Mrs. Wirt Franklin and Carl Hatch, a
Joint Ownership.

By

Bert Aston
Bert Aston, Manager

Recapitulation
 Loco Hills Field - Proration Schedule
 August - September 1943

Company Lease	July Allowable	Daily Av'g P.L. Runs May	Daily Av'g Gas Prod'n May	B.H.P. G/O
Allen Fair & Pope				
State A 1-4	77	73.10	119800	
State B 1-2	36	3500	61200	
Aston & Fair Total	113	108.10	181000	
Brigham 1-2	60	61	140000	
State A 1	30	32	68500	
State A 1-2	60	62.60	67300	
State - Scheuch 3-4	45	42.30	117500	
State B 5-6	50	46.50	61800	
Total Aston & Fair	245	244.40	455100	
Banner Oil Co.				
Miller 1-4	18	16.20	7200	
Bassett & Birney				
Dunn C 1	8	14.20	42600	
State 1-7	202	210.60	573700	
Total Bassett & Birney	210	224.80	616300	
Bowers, H. M. & K. M.				
State 1	30	30	48000	
Brainerd & Gay				
Brainerd 1-2	60	59.80	148500	
Gay 1-4	71	69.80	323300	
Bright & Gordon				
State A 1	11	10.25	6150	
Carper Drly Co.				
Carper State B 1-16	5	5	3060	
Carper - Miles - Talmadge	90	90	62400	
State 1, 2, 3				
Carper - Talmadge				
State 1	17	16	68000	
Cone, Gordon				
Guy 1, 2, 3	65	62.80	251000	
Langford 1/2	30	14.50	58000	
Continental Oil Co.				
Brainerd 1-5	63	60.13	206000	
State L-16 1	12	9.80	27400	
State M 1-10	120	119.10	392100	
State N-2 1	30	32.50	83000	
State N-10 1	30	23.40	63000	
State O-16 1	20	6.00	16700	
Travis 1, 2	30	42.50	46700	
Total Proration	305	293.43	834900	

110549 306235

Proposed Allowable	Schedule 1 3000 G/6 x 25 Top		Gas Conserved	Proposed Allowable	Schedule 2 2000 G/6
	Over-Under July	Estimated Gas Prod'n			Over-Under July
100	23-	119800		120	43-
50	14-	61200		60	24-
150	37-	181000		180	67-
50	10	114500	25500	52	8
25	5	61250	7250	25	5
50	10	53700	13600	60	-
30	7	104000	13500	32	13
42	8	55800	6000	50	-
205	40	389250	65850	219	26
100	82-	7200	-	120	102-
25	17-	42600		20	12-
169	33	431800	141900	161	41
194	16	474400	141900	181	29
25	5	33800	14200	30	-
50	10	148500		48	12
67	4	230300	93000	64	7
25	14-	6150		30	19-
25	20-	3000		30	25-
75	15	52150	10250	90	-
18	1-	75000	70000 ^{est.}	14	3
57	8	225000	26000	45	20
19	11	58000		15	15
91	28-	151800	54200	93	30-
25	13-	27400		22	10-
88	32	285000	107100	75	45
25	5	62000	21000	24	6
25	5	63000	-	22	8
25	5-	16700	-	30	10-
25	5	39000	7700	30	-
314	1	644900	190000	297	8
1314	44-	2512000	534200	1363	93-

Ye II 30 Top Estimated Gas Prod'n	Gas Conserved	Proposed Allowable	Schedule All 2000 6/0 x 25 Top Over-Under July	Estimated Gas Prod'n	Gas Conserved.
119800		100	23-	119800	
61200		50	14-	61200	
181000		150	37-	181000	
116600	23400	43	17	97000	43000
60000	8500	20	10	50000	18600
64500	2800	50	10	53700	13600
90000	27500	27	18	75000	42500
67000	-5200	42	8	55800	6000
398100	57000	182	63	331500	123600
7200	-	100	82-	7200	-
42600		17	9-	42600	-
397900	176000	138	64	342200	231500
440300	176000	155	55	384800	231500
39700	53100	25	5	33800	14200
120000	21500	40	20	100000	48500
185300	131000	53	18	155300	168000
6150		25	14-	6150	-
3000		25	20-	3000	-
62400	-	75	15	52150	10250
60000	8000	12	5	50000	18000
180000	71000	36	24	150000	101000
58000		12	18	50000	8000
136800	69200	78	15-	126800	79200
27400		18	6-	27400	-
240000	152100	63	57	199500	192600
60000	23000	20	10	50000	33000
60000	3000	19	11	50000	13000
16700	-	25	5-	16700	-
46700	-	25	5	39000	7700
587600	247300	248	57	509400	325500
2328750	734100	1138	132	2014300	1048550

Recap
Sheet No 2

Company Lease	July Allowable	Daily Avg P.L. Runs May	Daily Avg Gas Prodn May	
Dixon & Yates				
Ballard A 1,2	60	60	75500	
" B 1,2	60	60	86500	
Day 1,2	60	60	60200	
Saunders 1-6	143	143	112200	
Total Dixon Yates	323	323	334400	
Fair, R.W. & Foundation				
Brainard 1-8	101	9835	394400	
Fair & Bright				
State 1-1,2-1	60	60	82600	
Flynn, Welch & Yates				
Langford 1,2	28	2830	103300	
State 1	30	2940	39700	
Travis 1,2,3	8	756	13200	
Total F.W.Y.	66	6520	156200	
Franklin Pet. Corp.				
Ballard A 1,2,3	96	9840	144000	
" B 1,2,3	78	82	196000	
Campfield 1,2,3	90	90	86100	
Coppedge 2,3	78	7925	56840	
Yates III 1-6	180	19135	241200	
Total Franklin	516	541	724140	
Friendship Oil Co.				
State 1	30	30	30000	
Grayburg Oil Co.				
State 1	30	2980	106000	
Jonas & McKee				
State 1	30			
Jones-Yates Et. al				
Robinson 1	2			
Kentfolds Trust				
State No 1	28	28	39000	1390
? (Macy, Tallmadge, Cowell)	7	660		
Metex Supply Co.				
Ballard 10 8	6	670	26000	
Miller 16, 2 F 5	30	2825	23600	
Stroup & Yates 11, 21-5	20	2105	60200	
Montgomery, Mrs Sam.				
Saunders	36	3600	46500	
Premier Oil Co.				
Beeson	198	22000	535800	
	1444	147335	2552940	

Proposed Allowed	Schedule L 3000 GPO x 25 Top			Proposed Allowable	Schedule 2000 GPO x	
	Over-Under July	Estimated Gas Prodn	Gas Conserved		Over-Under July	
50	10	63000	12500	60	—	
50	10	72000	14500	55	5	
50	10	50100	10100	60	—	
125	18	96000	16200	150	7-	
275	48	281100	53300	325	2-	
136	35-	345100	49300	126	25-	
50	10	68500	14100	60	—	
41	13-	103300	—	33	5-	
25	5	33800	5900	30	—	
75	67-	13200	—	80	72-	
141	75-	150300	5900	143	77-	
75	15	109800	34200	90	—	
68	10	162580	33500	65	13	
75	15	66950	19150	90	—	
68	10	42800	8040	78	—	
150	30	189200	52000	180	—	
436	80	577250	146890	503	13	
25	5	25000	5000	30		
22	8	75000	31000	17	13	
25	3	34700	4300	30	2-	
25	19-	20000	—	20	14-	
50	20-	23600	—	60	30-	
50	30-	60200	—	47	27-	
50	14-	44500	—	60	24-	
160	38	379300	156500	159	39	
1445	1-	208450	466300	1580	136-	

II 30 Top Estimated Gas Prod'n	Gas Conserved,	Proposed Allowable	Schedule III 2000 G/b x 25 Top Over-under July	Estimated Gas Prod'n	Gas Conserved,
75500	—	50	10	63000	12500
75300	11200	46	14	62700	23800
60200	—	50	10	50100	10100
112200	—	125	18	96000	16200
313200	11200	271	52	271800	62600
315100	79300	108	7-	289700	104700
82600	—	50	10	68500	14100
103300	—	27	1	100000	3300
39700	—	25	5	33800	5900
13200	—	67	59-	13200	—
156200	—	119	53-	147000	9200
131800	12200	75	15	109800	34200
156000	40000	57	21	136000	60000
86100	—	75	15	66950	19150
56000	840	68	10	48800	8040
227100	14100	150	30	189200	52000
657000	67140	425	91	550750	173390
30000	—	25	5	25000	5000
60000	46000	14	16	50000	56000
39000	—	25	3	34700	4300
20000	—	17	11-	20000	—
23600	—	50	20-	23600	—
60200	—	40	20-	60200	—
46500	—	50	14-	46500	—
351400	184400	135	63	298100	237700
1114900	288040	1329	115	1005850	666990

Recap

Sheet No 3

Company Lease	July Allowable	Daily Avg P.L. Rums May	Daily Avg Gas Prod'n May
Randel, O.H.			
Shelley 1	19	1840	97200
Rosa City Oil Co.			
Watson-Smith 1, 2	24	2400	98600
Sallee & Yates			
Ballard B 1, 2	60	6000	174500
State 1-6	120	12000	298800
Sanders Bros			
Guy 1	24	2400	152000
Guy 1NX	30	3000	89100
Guy P 1-4	75	7380	332200
Guy R 1			
Langford 1, 2	24	2400	72000
Miller 1-4	21	1950	7800
Murdock 1	2	150	600
Travis 1-3	24	2260	9800
Total Sanders Bros	200	18900	633400
Stroup & Yates			
Ballard 1, 2, 3	54	5670	153800
Travis 2, 3, 4, 5	36	3510	126500
Suppes & Suppes			
Miller 1, 2, 3	32	3135	15700
Texas Trading Co.			
State A+B	12	12	18000
Wooley, Roland Rich			
Wooley D 1-4	120	11920	140700
Yates, H. E.			
Dunn 1	15	1460	57000
Travis 1	8	735	7300
Yates, Martin Jr			
Brainerd 1-4	112	10920	316500
State-Witherspoon	30	2950	24800
Yates, S.P.			
Brainerd 1-6	111	10420	396500
Yates, Et al			
Yates III	120	12030	128100
This Sheet	1073	105090	2692400
Sheet No 1	1270	110549	3062850
" No 2	1444	149395	2552840
Field	3787	365034	8308690

Approximate field.

Proposed Allowable	Over-Under July	3000 6% x 25 Tip		Proposed Allowable	Over-Under July	2000 6% Schag	
		Estimated Gas Prodn	Gas Conserved			Estimated Gas Prodn	Gas Conserved
14	5	75000	22200	11	8		
39	15-	98600	—	33	9-		
47	13	131200	43300	44	16		
99	21	247300	51500	98	22		
12	12	75000	77000	9	15		
25	5	75000	14000	20	10		
64	11	220200	82000	51	24		
50	26-	72000	—	40	16-		
75	54-	7800	—	90	69-		
25	23-	600	—	30	28-		
75	51-	9000	—	90	66-		
326	126-	460400	173000	330	130-		
65	11-	135300	18500	69	15-		
67	31-	126500	—	51	15-		
75	43-	15700	—	90	58-		
25	13-	18000	—	30	18-		
100	20	117850	22850	120			
19	4-	57000	—	15	—		
25	17-	7300	—	30	22-		
85	27	171900	144600	94	18		
25	5	24800	5000	30	—		
104	7	241500	155000	94	17		
100	20	109700	18400	120	—		
1213	140-	2038050	654350	1259	186-		
1314	44-	2528650	534200	1363	93-		
1445	1-	2086550	466290	1580	136-		
3972	185	6653250	1654840	4202	415-		
3054				3164			

Table II x 30 Top Estimated Gas Prod'n	Gas Consumption	Proposed Allowable	Schedule III 2000 G/G x 25 Top Over-Under July	Estimated Gas Prod'n	Gas Consumption
60,000	37,200	9	10	50,000	47,200
93,700	4,900	27	3-	83,700	14,900
120,000	54,500	37	23	100,000	74,500
240,000	57,800	92	28	199,500	99,300
60,000	92,000	8	16	50,000	102,000
60,000	29,000	17	13	50,000	39,000
150,000	122,200	42	33	150,000	152,200
72,000	—	34	10-	72,000	—
7800	—	75	54-	7800	—
600	—	25	23-	600	—
9800	—	75	57-	9800	—
390,200	243,200	276	76-	340,000	293,200
120,300	33,500	62	8-	110,300	43,500
126,500	—	42	6-	119,000	7500
15,700	—	75	43-	15,700	—
18,000	—	25	13-	18,000	—
140,700	—	100	20	117,850	22,850
57,000	—	13	2	50,000	7000
7300	—	25	17-	7300	—
163,000	153,500	78	34	143,000	173,500
29,800	—	25	5	24,800	5000
211,500	185,000	79	32	191,500	205,000
128,100	—	100	20	109,700	18,400
1,921,800	770,600	1065	18	1,680,350	1,012,050
232,8750	734,100	1138	132	2,014,300	1,042,550
2,164,800	388,040	1329	115	1,885,850	666,990
6,415,350	1,892,740	3532	255	5,580,500	2,727,590
2900					

Recap. to location

Company Lease Area	July Allowable	Daily Avg P.L. Runs May	Daily Avg Gas Prod'n May	B.H.P. G/o
Area No 1 Sec 31, 32, 5, 6, 7, 8	1089	121770	1713840	
Area No 2 Secs 35, 36, 12, 11, 12, 13, 14 Excess allowable - Marginal Wells Net estimated Prod'n	1527	152995	2938350	
Area No 3 Secs 33, 34, 3, 4, 9, 10, 15, 16, Excess allowable Marginal Wells Net - estimated Production.	957	90123	3171300	
Area No 4 Sec 31, 32, 5, 6, 7, 8, 17, 18 Excess Allowable Net estimated Prod'n	251	25480	533500	
Field. Excess Allowable Net - Estimated Prod'n.	3824	420368	8356790	

Schedule L 3000 5/5 25 Top					Schedule 2000 6/6 *	
Proposed Allowable	Over-Under July	Estimated Gas Prod'n	Gas Conserved		Proposed Allowable	Over-Under July
905	184	1346950	366890	21.4%	1019	75
1361 54 1307	166	2330300	608050	20.7%	1497 102 1395	30
1201 402 799	244-	2509700	661600	20.9%	1159 428 731	202-
601 223 368	350-	515000	18500 3.5%		632 251 381	381-
4068 689 3379	244- 11.6%	6701930	1655040	20.7%	4302 781 3526	483- 7.85%

II 30 T.p			Schedule III 2001 G/P x 25 T.p				
Estimated Gas Prod'n	Gas Conserved		Proposed Allowable	Over-Under July	Estimated Gas Prod'n	Gas Conserved	
1421300	292540	17.0%	855	234	1194050	519790	29.8%
2349450	588900	26%	1253 53 1200	276	1924250	914100	31.1%
3201800	969500	30.5%	969 309 660	12-	1947400	1223900	38.6%
500000	33500	6.3%	633 277 356	282-	475500	58570	10.9%
6472550	1874440	22.5%	3710 639 3071 19.7%	216	5541200	2715790	32.5%

F. A. & F.

OIL PRODUCERS

321 White Building
Roswell, New Mexico
March 17, 1947

Mr. Carl Livingston
Attorney & Chief Clerk
Oil Conservation Commission
Capitol Office Building
Santa Fe, New Mexico

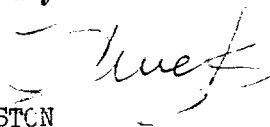
Dear Carl:

Enclosed are three copies of the petition with exhibits "A" and "B", concerning the case which I discussed with your last Wednesday. Of course the unit agreements attached are not signed, but we will bring the signed agreements to the hearing.

If there is any minor discrepancy please go ahead and publish, and we can change it in the interim.

Trusting the above meets with your approval, I am

Yours truly



CHUCK ASTON

CA:LL
enc.

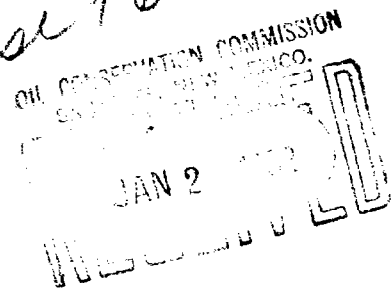
FRANKLIN, ASTON & FAIR

OIL PRODUCERS

321 J. P. WHITE BLDG.
ROSWELL, NEW MEXICO

SCHEURICH UNIT

Sec. 32

Twp. 17 S Rge. 30 E
Eddy County
New Mexico

List of Wells:

1-B Located 1650' North of the South Line and 1650' East of the West Line in Unit K. (ABANDONED)

2-B Located 2310' North of the South Line and 2310' West of the West Line in Unit J. (ABANDONED)

C ✓ 3-B Located 2310' North of the South Line and 330' East of the West Line in Unit L. (Proration order number Scheurich 3 L)

✓ 4-B Located 2525' North of the South Line and 1435' East of the West Line in Unit K. (Proration order number Scheurich 4 E)

O ✓ 5-B Located 2310' South of the North Line and 1260' East of the West Line in Unit E. (Proration order number State 5 E)

✓ 6-B Located 2310' South of the North Line and 2310' East of the West Line in Unit F. (Proration order number State 6 F)

P 7-B Located 1650' South of the North Line and 330' East of the West Line in Unit E. (Proration order number Aston-Fair-Scheurich 7-B Loco Hills)

8-B Located 1650' South of North Line and 1650' East of the West Line in Unit F. (Proration order number not issued as yet)

Y ✓ 1-A Located 2310' South of the North Line and 330' East of the West Line in Unit E. (Proration order number State 1-E)

(ALL IN LOCO HILLS PRESSURE MAINTENANCE AREA with the exception of 7-B and 8-B, which are Premier Wells)

SECTION PLAT

EDDY

County, State of

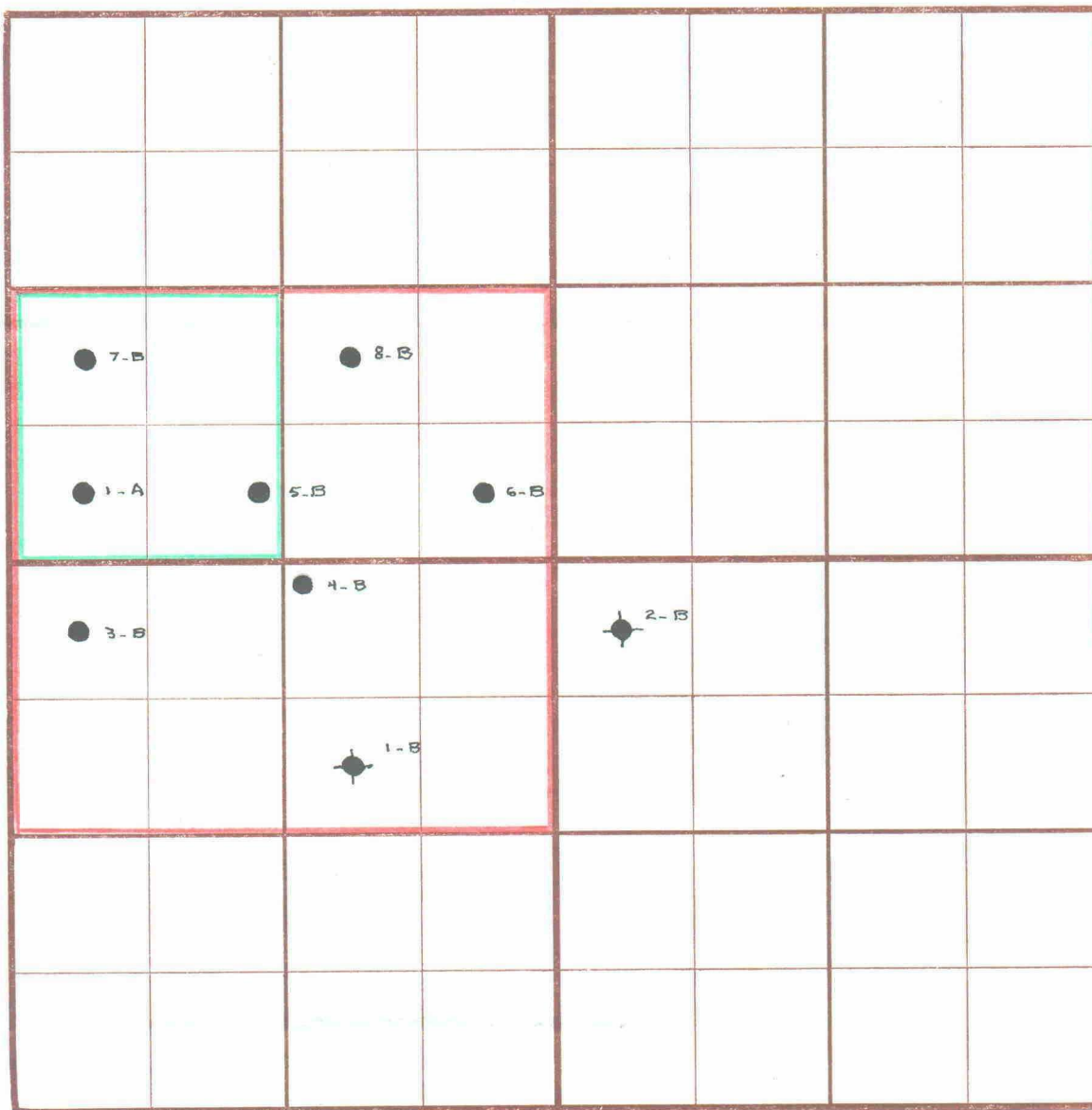
NEW MEXICO

Section 32

Township 17 South

Range 30 East

NORTH



Scheurich Unit



Lease formerly known as Kinfolks

C. J. DEXTER
PRESIDENT



BERT ASTON
VICE-PRESIDENT

FRED BRAINARD
SECRETARY-TREASURER

Loco Hills
Pressure Maintenance Association, Inc.

ARTESIA, NEW MEXICO

January 11, 1944


MEMBERS
S. P. YATES
C. M. POPE, JR.
EMERY CARPER
A. B. OWEN
J. M. MURRAY, SR.
MARTIN YATES, JR.


Mr. John M. Kelly, State Geologist
Oil Conservation Commission
Santa Fe, New Mexico


Dear Sir:

The Loco Hills Pressure Maintenance Association respectfully request that the top allowable for wells in the Loco Hills field be set at 30 barrels per day for the month of February, 1944. This request was decided upon at a meeting of the Board of Directors of the Association and is an official act of the Association.

In verbal conversations with you at several times it has been pointed out that the Association was considering a new plan as to input wells. A plan has now been adopted in which the Association will reimburse the owner of the input well, thus, it will no longer be necessary for the operators to make up allowable out of other wells on the lease. We shall appreciate your preparing the Proration Schedules starting February 1st. in such a way so that input well allowable will not be assigned to other wells on the lease. It will not be necessary to give these wells any allowable consideration as the operator will be compensated by the Association.

There is some doubt as to just what effect the new input well compensation plan will have on royalty owners. The way the plan is set up it will be necessary for the operators to individually satisfy the royalty owners of their property, however, it is our thought that the Federal government and the State of New Mexico will waive any rights to compensation due to no allowable being produced for the input wells. We are contacting the U.S.G.S. concerning this and would appreciate your thoughts concerning the matter.

Very truly yours,


Vilas P. Sheldon, Chief Engineer

VPS:amk

encl:

August 13, 1943

Members of the Board
Lease Hills Pressure
Maintenance Association
Artesia, New Mexico.

Sirs:

It is my pleasure to transmit to you, herewith, my report on the progress of the Lease Hills Pressure Maintenance Project, together with my recommendations.

I have endeavored in this report to bring together all of the available pertinent data not covered in previously submitted reports and have prepared maps illustrating the data, in so far as possible.

After assembling this data and having spent considerable time in the field it is my opinion that the present organizational set-up does not permit the utilization of the services of a full time petroleum engineer. In other words that in as much as the organizational set-up which was planned has not been put into operation, I cannot feel that I can justify the salary and car expense which would be incident to my further employment.

For the reasons stated, I wish to tender my resignation, subject to your decision.

I would like to recommend that a qualified engineer should be employed on a retainer fee basis, to supervise the collection of further information and to prepare a quarterly report on the progress of the operation.

Your present plant superintendent, Mr. Fred Jacobs, has been very helpfull to me in assembling the data included in my report and I can see no reason why he is not well qualified to carry on, as he has in the past, the routine testing and field work which is vital to the success of the project. I do feel though that he is entitled to and needs at least the part time assistance of a petroleum engineer who could continue the studies which I have begun.

Should you at any time feel the need of my further assistance or advice I shall be pleased to extend the fullest possible cooperations

May I add that I have sincerely enjoyed my work here and my association with the board and personnel of the Lone Hills Pressure Maintenance Association.

I remain

Very truly yours

Charles H. Rankin

C. J. DEXTER
PRESIDENT

BERT ASTON
VICE-PRESIDENT

FRED BRAINARD
SECRETARY-TREASURER

Loco Hills
Pressure Maintenance Association, Inc.

ARTESIA, NEW MEXICO

July 20, 1943

MEMBERS

S. P. YATES
C. M. POPE, JR.
EMERY CARPER
G. M. PURSWELL
J. M. MURRAY, SR.
MARTIN YATES, JR.

Mr. John Kelly, State Geologist
State Capitol Building
Santa Fe, New Mexico

Dear Mr. Kelly:

I am enclosing herewith the recapitulation of the proration schedule for the Loco Hills field which you requested.

Because of the fact that these formulae increase the allowables of the marginal wells having low gas/oil ratios, the field production will not meet the allowable figures, shown. I have indicated what I believe to be the approximate yields under the different schedules.

Will you kindly call us when you can set a date for the discussion of your order.

Thanking you for your kind attention, I remain

Very truly yours,


C.H. Rankin

CHR:PRB

Roosevelt.
7-20-43

John: I have spent the
afternoon with the U.S.S.
office here going over
this dope and returning
then mail and they
express themselves as
being in favor of a
top 2000 water with
either a 30 or preferably
25 barrel top.

Clinton

ILLEGIBLE