



CONTINENTAL OIL COMPANY

Box 431
Midland, Texas
December 8, 1954

Mr. John A. Anderson
Oil and Gas Supervisor
Southwestern Region
United States Geological Survey
P. O. Box 997
Roswell, New Mexico

Dear Mr. Anderson:

We are transmitting herewith for your consideration four copies of the Plan of Development for the Calendar Year 1955 covering the Diamond Mound Unit Area in Chaves and Eddy Counties, New Mexico. If this Plan of Development meet with your approval, please return one approved copy to this office at your earliest convenience.

Yours very truly,

A handwritten signature in cursive script that reads "R. L. Adams".

R. L. Adams
Assistant Division Supt.
of Production
West Texas-New Mexico Division

RLA-HKT

Encs.

BY REGISTERED MAIL

cc: Commissioner of Public Lands, Santa Fe, N. M.
Oil Conservation Commission, Santa Fe, N. M.



MAIN OFFICE 000

RECEIVED 12/15/54 2:21

CONTINENTAL OIL COMPANY

P. O. Box 431
Midland, Texas
December 15, 1954

file

Oil and Gas Supervisor
United States Geological Survey
P. O. Box 6721
Roswell, New Mexico

Attention: Mr. John A. Anderson

Commissioner of Public Lands
State of New Mexico
Santa Fe, New Mexico

Attention: Mr. E. S. Walker

Oil Conservation Commission
State of New Mexico
Santa Fe, New Mexico

Attention: Mr. W. B. Macey

Gentlemen:

We are transmitting herewith for your consideration four copies of a revised Plan of Development for the Calendar Year 1955 covering the Diamond Mound Unit Area in Chaves and Eddy Counties, New Mexico.

This Plan of Development is being submitted in lieu of the Plan of Development submitted with our letter dated December 8, 1954, since we now have more definite commitments for development within the unit area.

If this revised Plan of Development meets with your approval, please return one approved copy to this office at your earliest convenience.

Joint Letter
Page 2

Yours very truly,

A handwritten signature in cursive script, appearing to read "R. L. Adams".

R. L. ADAMS
Assistant Division Superintendent
of Production
West Texas-New Mexico Division

RLA-HKT
Encs.

BY REGISTERED MAIL

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

September 20, 1954

Continental Oil Company
Fair Building
Ft. Worth, Texas

Subject: Plan of Development
Diamond Mound Unit
Agreement

Gentlemen:

Reference is made to your letter of August 31, 1954, requesting approval of the Plan of Development for the remainder of the calendar year 1954 for the above captioned unit.

The New Mexico Oil Conservation Commission hereby approves this Plan of Development subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

Very truly yours,

W. B. Macey
Secretary-Director

WBM:sk

cc: State Land Office
Santa Fe, New Mexico

U. S. G. S.
Roswell, New Mexico

12
1
September 9, 1954

C
Continental Oil Company
Fair Building
Fort Worth 2, Texas

Plan of Development for remainder
of 1954 Calendar Year, Diamond
Mound Unit Agreement, Chaves and
Eddy Counties, New Mexico

O
Gentlemen:

P
Your plan of development dated August 31, 1954, for the
remainder of the 1954 calendar year, for the Diamond Mound Unit
Agreement in Chaves and Eddy Counties, New Mexico is approved on
this date subject to like approval by the United States Geological
Survey and Oil Conservation Commission

Y
One approved copy of the plan is returned herewith.

Very truly yours,

E. S. WALKER
Commissioner of Public Lands

cc: United States Geological Survey
Roswell, New Mexico (3)
Oil Conservation Commission
Santa Fe, New Mexico (1)



IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

P. O. Box 6721
Roswell, New Mexico

September 3, 1954


Continental Oil Company
Fair Building
Fort Worth 2, Texas

Gentlemen:

The plan of development dated August 31, 1954, for the remainder of calendar year 1954, for the Diamond Mound unit agreement, New Mexico, I-Sec. No. 757, has been approved on this date subject to like approval by the appropriate State officials.

One approved copy of the plan is returned herewith.

Very truly yours,


JOHN A. ANDERSON
Regional Oil and Gas Supervisor

Copy to: Cons. Div., Wash., D.C. (w/1 copy of plan)
New Mexico Oil Cons. Comm., Santa Fe (ltr. only) ✓

CONTINENTAL OIL COMPANY

FAIR BUILDING
FORT WORTH 2, TEXAS

August 31, 1954

H. L. JOHNSTON
REGIONAL MANAGER OF PRODUCTION
SOUTHWESTERN REGION

REGISTERED MAIL

Oil and Gas Supervisor
United States Geological Survey
P. O. Box 6721
Roswell, New Mexico

Commissioner of Public Lands
State of New Mexico
Santa Fe, New Mexico

Oil Conservation Commission
State of New Mexico
Santa Fe, New Mexico

Gentlemen:

In my letter of July 9th it was stated that in view of the information obtained in the Tom Kolan No. 1 test, located 660 feet from the south and 1980 feet from the east lines of Section 4, Township 16 South, Range 27 East, Eddy County, New Mexico, that Continental Oil Company plans no further development in the Diamond Mound Unit.

We have, of course, continued to make exhaustive studies for further development in the Diamond Mound Unit. Recent developments have made possible better coordination of geophysical and Geological information. As a result of these studies and developments, the Exploration Department of

Joint Letter
Page 2

Continental Oil Company now feels that additional development of the Diamond Mound Unit may be warranted.

Therefore, we should like to maintain the Diamond Mound Unit as an operating entity, and in lieu of the statement that Continental plans no further development, we should like to submit as a plan of development that Continental will complete its study of the information on hand with the idea in mind that additional development may be undertaken within the next six months.

It is respectfully requested that this be accepted as Continental's plan of development for the balance of the year 1954.

Yours very truly,

A handwritten signature in cursive script, appearing to read "A. H. Johnston".

HLJ-LP
Carbon copies to:
Oil and Gas Supervisor (3)
Commissioner of Public Lands (1)
Oil Conservation Commission (1)



1 227
IN REPLY REFER TO.

UNITED STATES
DEPARTMENT OF THE INTERIOR
MAIN OFFICE OCC GEOLOGICAL SURVEY

File

1954 JUL 23 AM 8:51 P. O. Box 6721
Roswell, New Mexico

July 20, 1954

Continental Oil Company
Fair Building
Fort Worth 2, Texas

Gentlemen:

Reference is made to your letter of July 9 regarding the plan of development for the Diamond Mound unit area, New Mexico. You stated that in view of the data obtained from the drilling of Tom Nolan No. 1 well in sec. 4, T. 16 S., R. 27 E., N.M.P.M., which was plugged and abandoned, Continental Oil Company plans no further development in the unit area.

In the absence of any further development, it appears that steps should be taken to terminate the unit agreement pursuant to the last sentence of section 18 thereof. Please advise this office as to your future plans regarding the unit agreement.

Very truly yours

JOHN A. ANDERSON
Regional Oil and Gas Supervisor

cc to: ✓ Oil Conservation Commission



1954 JUL 12 AM 9:30
CONTINENTAL OIL COMPANY

FAIR BUILDING
FORT WORTH 2, TEXAS

H. L. JOHNSTON
REGIONAL MANAGER OF PRODUCTION
SOUTHWESTERN REGION

July 9, 1954

Oil and Gas Supervisor
United States Geological Survey
P. O. Box 6721
Roswell, New Mexico

Commissioner of Public Lands
State of New Mexico
Santa Fe, New Mexico

Oil Conservation Commission
State of New Mexico
Santa Fe, New Mexico

Gentlemen:

In my letter of April 6, it was stated that Continental Oil Company was studying the data obtained in the exploratory test, Tom Nolen No. 1, located 660' from the South and 1980' from the East lines of Section 4, Township 16 S, Range 27 E, Eddy County, New Mexico, to determine the future plan of development for the Diamond Mound Unit.

It was further stated that we would furnish you, by July 12, 1954, a definite plan of development for the Diamond Mound Unit.

In compliance with this statement and in view of the completion data obtained from the drilling of the said Tom Nolen

Joint Letter
Page 2

No. 1, which was plugged and abandoned on March 12, 1954, we are hereby notifying you that Continental Oil Company plans no further development in the Diamond Mound Unit.

Yours very truly,

A handwritten signature in cursive script, appearing to read "W. J. Johnston", is written over the typed name.

HLJ-SR
Carbon copies to:
Oil and Gas Supervisor (3)
Commissioner of Public Lands (1)
Oil Conservation Commission (1)

BY REGISTERED MAIL



IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
MAIN OFFICE OCC
GEOLOGICAL SURVEY

1954 APR 1 AM 8:40

P. O. Box 6721
Roswell, New Mexico

April 27, 1954

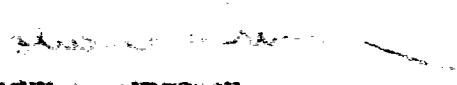
Continental Oil Company
Fair Building
Fort Worth 2, Texas

Gentlemen:

The supplemental plan of development dated April 6, 1954, for the Diamond Mound unit agreement, New Mexico, I-Sec. No. 757, has been approved on this date subject to like approval by the Commissioner of Public Lands, State of New Mexico, and the New Mexico Oil Conservation Commission.

One approved copy of the plan of development is returned herewith.

Very truly yours,


JOHN A. ANDERSON
Regional Oil and Gas Supervisor

Enclosure

Copy to: Conservation Division, Washington, D.C. (w/1 copy of plan)
Commissioner of Public Lands
New Mexico Oil Conservation Commission

April 27, 1954

C
O
P
Y

Continental Oil Company
Pac Building
Fort Worth, Texas

Re: Diamond Mound Unit Agreement
Chaves and Eddy Counties,
New Mexico

Gentlemen:

This letter is to inform you that your supplemental plan of development for the Diamond Mound Unit Area dated April 6, 1954 has been approved by this office as of this date.

Very truly yours,

E. S. WALKER
Commissioner of Public Lands

cc: U. S. Geological Survey (3)
Roswell, New Mexico

Oil Conservation Commission (1) ✓
Santa Fe, New Mexico

OIL CONSERVATION COMMISSION
P. O. BOX 871
SANTA FE, NEW MEXICO

April 23, 1954

**Continental Oil Company
Fair Building
Fort Worth, Texas**

Re: Diamond Mound Unit

Gentlemen:

**This will constitute Commission approval of Supplemental
Plan of Development for the Diamond Mound Unit Area which was
submitted on April 8th to this Commission.**

Very truly yours,

**R. R. SPURRIER
Secretary and Director**

RRS:vc

**cc: U. S. Geological Survey (3)
Roswell, New Mexico**

**Commissioner of Public Lands
Santa Fe, New Mexico**

C
O
P
Y

4.1
MAIN OFFICE OCC

1954 APR 8 PM 1:14
CONTINENTAL OIL COMPANY

FAIR BUILDING
FORT WORTH 2, TEXAS

H. L. JOHNSTON
REGIONAL MANAGER OF PRODUCTION
SOUTHWESTERN REGION

April 6, 1954

Oil and Gas Supervisor
United States Geological Survey
P. O. Box 6721
Roswell, New Mexico

Commissioner of Public Lands
State of New Mexico
Santa Fe, New Mexico

Oil Conservation Commission ✓
State of New Mexico
Santa Fe, New Mexico

Gentlemen:

Prior to January 1, 1954, the Plan of Development for the calendar year of 1954 for the Diamond Mound Unit Area, Chaves and Eddy Counties, New Mexico, was submitted pursuant to the provisions of the Unit Agreement. At the time this was submitted, an exploratory test, the Tom Nolen No. 1, was being drilled 660 feet from the South and 1,980 feet from the East lines of Section 4, Township 16 South, Range 27 East, Eddy County, New Mexico. Under Item 4 of the 1954 development plan for the unit was included a statement that the operator would submit a supplemental plan of development upon the completion of this Ellenburger test well.

The Nolen No. 1 was drilled to a total depth of 9,908 feet in dolomite and chert. Five drill stem tests were taken,

Joint Letter
Page 2

one in the San Andres, one in the Pennsylvanian, and one in the Devonian. None of these had any signs of commercial production. Another drill stem test in the Devonian recovered 6,450 feet of sulphur water and the last drill stem test 9,875 to 9,908 feet in the Ellenburger recovered 8,000 feet of sulphur water. The well was plugged and abandoned on March 12, 1954.

The Exploration Department of the Continental Oil Company is now studying the information and data learned as a result of the drilling of this well and is correlating it with the seismograph and core drill work. It is estimated that it will require 90 days to complete this study. At that time the company will be able to furnish you the conclusions from that study and a definite future course of action in regard to this unit.

It is, therefore, requested that this letter be accepted as the supplemental plan of development which was to be furnished 30 days after the completion of the Nolen well, with the understanding that a definite plan will be submitted by July 12, 1954.

Yours very truly,



HLJ-LT

Carbon copies to:

Oil and Gas Supervisor(3)

Commissioner of Public Lands(1)

Oil Conservation Commission(1)

BY REGISTERED MAIL

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

January 26, 1954

C
O
P
Y

Continental Oil Company
Fair Building
Fort Worth 2, Texas

Attention: Mr. H. L. Johnston, Regional Manager of Production
Southwestern Region

Gentlemen:

We are enclosing herewith approved copy of Plan of Development for the Calendar Year 1954, Diamond Mound Unit Area, Chaves and Eddy Counties, New Mexico. This approval is conditioned upon the operator filing an amended development agreement 30 days after completion of the Continental Nolan Federal #1 as set out in Paragraph 4 of said Plan of Development.

Very truly yours,

R. R. Spurrier
Secretary and Director

RRS:vc

New Mexico
OIL CONSERVATION COMMISSION

GOVERNOR EDWIN L. MECHEM
CHAIRMAN
LAND COMMISSIONER E.S. WALKER
MEMBER
STATE GEOLOGIST R.R. SPURRIER
SECRETARY AND DIRECTOR



P. O. BOX 671
SANTA FE, NEW MEXICO

MEMORANDUM:

TO: R. R. Spurrier and W. B. Macey
FROM: Elvis A. Utz
SUBJECT: Diamond Mound Unit

*UP 48
157000*

The Development Plan for 1954 actually only commits them to one well, the Continental - Nolan Federal #1, SW/4 SE/4, 21-16S-27E Eddy County. However, this well is to be drilled to 11,000 feet. As of December 22, 1953 this well was drilling at 3924 in sand and lime. This unit has one producing well, the Continental-Duffield #1 NESW 21-16S-27E, which had an I.P. of 3800 MCF gas and 30 bbls., distillate per day, SIP 2943 psia. A plat of the participating area is attached.

I am recommending this development agreement be approved provided the operators file an amended development agreement 30 days after completion of the Continental - Nolan Federal #1.

Mr. Ed Canfield is agreeable to this procedure. Canfield was consulted by phone January 11, 1954 - 10:15 A.M.

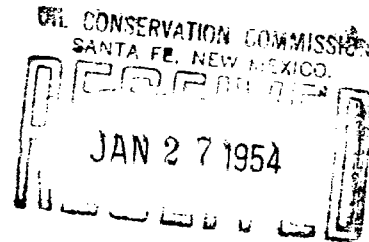


CONTINENTAL OIL COMPANY

FAIR BUILDING
FORT WORTH 2, TEXAS

January 25, 1954

H. L. JOHNSTON
REGIONAL MANAGER OF PRODUCTION
SOUTHWESTERN REGION



Oil Conservation Commission
State of New Mexico
Santa Fe, New Mexico

Gentlemen:

Under date of December 23, 1953, we forwarded to you two copies of a Plan of Development for the calendar year 1954 covering the Diamond Mound Unit Area, Chaves and Eddy Counties, New Mexico. We requested that an approved copy of this instrument be returned for our files.

After checking our records, we are unable to find a reply from you regarding the above Plan of Development, and we shall appreciate hearing from you regarding this matter at your earliest convenience.

Yours very truly,

A handwritten signature in cursive script, appearing to read "H. L. Johnston".

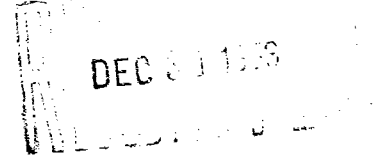
HLJ-LP



227
IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

P. O. Box 6721
Roswell, New Mexico



December 29, 1953

Continental Oil Company
Fair Building
Fort Worth, Texas


Attention: Mr. W. L. Johnston

Gentlemen:

The plan of development dated December 23, 1953, for the Diamond Mound unit area, I-Sec. No. 757, Chaves and Eddy Counties, New Mexico, for the calendar year 1954, has been approved on this date subject to like approval by the Commissioner of Public Land, State of New Mexico, and the New Mexico Oil Conservation Commission.

Our approved copy of the plan is returned herewith. It is understood that a supplemental plan of development will be submitted upon completion of the Ellenburger test well now drilling on the unit area in the SW1/4, Sec. 4, T. 16 S., R. 27 E., N.M.P.M.

Very truly yours,


JOHN A. ANDERSON
Regional Oil and Gas Supervisor

Enclosure

Copy to: Commissioner of Public Lands, Santa Fe, N. Mex.
Oil Conservation Commission, Santa Fe, N. Mex. ✓

CONTINENTAL OIL COMPANY

FAIR BUILDING

FORT WORTH 2, TEXAS

December 23, 1953

H. L. JOHNSTON
REGIONAL MANAGER OF PRODUCTION
SOUTHWESTERN REGION

211
Oil and Gas Supervisor
United States Geological Survey
P. O. Box 997
Roswell, New Mexico

Commissioner of Public Lands
State of New Mexico
Santa Fe, New Mexico

Oil Conservation Commission
State of New Mexico
Santa Fe, New Mexico

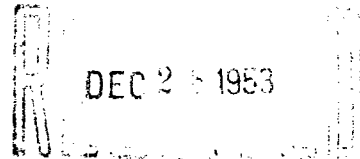
Gentlemen:

We are transmitting herewith for your consideration a Plan of Development for the Calendar Year 1954 covering the Diamond Mound Unit Area, Chaves and Eddy Counties, New Mexico. If this Plan of Development meets with your approval, please return one signed copy to this office at your earliest convenience.

Yours very truly,



HLJ-LF
Enclosures
Supervisor - 4 sets
Commissioner - 2 "
Commission - 2 "
BY REGISTERED MAIL



El Paso Natural Gas Company

El Paso, Texas

February 17, 1956

Oil Conservation Commission for the
State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Re: Request for the Termination of the
(Diamond Mound Unit Agreement,) Depart-
mental Contract No. I-Sec. No. 757,
Approved October 24, 1950, Chaves and
Eddy Counties, New Mexico

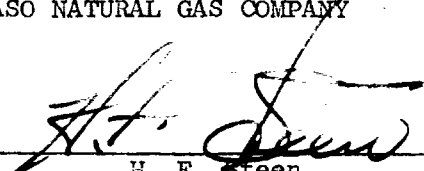
Gentlemen:

El Paso Natural Gas Company held an interest in various oil and gas leases committed to the Diamond Mound Unit Agreement, Chaves and Eddy Counties, New Mexico. In view of the disappointing results encountered in the drilling of three unit wells, El Paso Natural Gas Company either surrendered or reassigned to Continental Oil Company all of its interest in various oil and gas leases committed to the Diamond Mound Unit Agreement. Therefore, El Paso Natural Gas Company has no objections to the termination of the Diamond Mound Unit Agreement.

Respectfully submitted,

EL PASO NATURAL GAS COMPANY

By


H. F. Steen
Vice President

HFS:JJB:alf

cc: Continental Oil Company
1710 Fair Building
Fort Worth 2, Texas

Attn: Mr. T. J. Mathers

221
MAIN OFFICE 000

1956 MAY 14

CONTINENTAL OIL COMPANY

1710 Fair Building
Fort Worth 2, Texas
May 14, 1956

Mr. John A. Anderson
Supervisor of Oil and Gas Operations
U. S. Geological Survey
Roswell, New Mexico

Dear Mr. Anderson:

file

SUBJECT: Termination of
Diamond Mound Unit Agreement,
Chaves and Eddy Counties, New
Mexico

In connection with Departmental Contract No. I-Sec. No. 757, approved October 24, 1950, we enclose in quadruplicate Request for Termination executed by Magnolia Petroleum Company, Sinclair Oil and Gas Company and Continental Oil Company. El Paso Natural Gas Company has filed separate request.

We should like to have two approved copies returned to us for filing with the Director of Oil Conservation Commission and Commissioner of Public Lands for the State of New Mexico.

Yours very truly,

T. J. Mathers
T. J. Mathers
Regional Title Supervisor
Southwestern Region

TJM-VA
Encs

Carbon copies to:
Mr. E. S. Walker
Commissioner of Public Lands
Santa Fe, New Mexico

Director of Oil Conservation Commission
for the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

227
MAIN OFFICE GOC

1956 MAY 22 PM 1:14

CONTINENTAL OIL COMPANY

Box 749
Roswell, New Mexico
May 22, 1956

REGISTERED MAIL - RETURN RECEIPT REQUESTED

Mr. E. S. Walker
Commissioner of Public Lands
for the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

file

Dear Mr. Walker:

SUBJECT: Termination of Diamond
Mound Unit Agreement, Departmental
Contract No. I-Sec. No. 757,
Approved October 24, 1950, Chaves
and Eddy Counties, New Mexico

In connection with Departmental Contract No. I-Sec. No. 757, approved October 24, 1950, we enclose original and three copies of request for termination of the Diamond Mound Unit Agreement, Chaves and Eddy Counties, New Mexico, executed by Magnolia Petroleum Company, Sinclair Oil and Gas Company, and Continental Oil Company. El Paso Natural Gas Company has filed a separate request.

It will be noted this material was first filed with the United States Geological Survey here in Roswell, but this office requested the handling of the material with your office for approval before forwarding it to the Director of the Geological Survey in Washington, D. C.

If this termination meets with your approval, it is kindly requested you so indicate by executing in the space provided on Page 4 of the instruments. We further kindly

Mr. E. S. Walker

Page 2

request that you retain one of the copies for your file, returning the remaining three, including the original and the direx copy, to this office for further handling with the USGS office. Proper showing of approval of termination of this unit by the Director of the USGS will be furnished your office when such has been received.

Please inform us should additional material be needed in connection with this matter.

Yours very truly,

W. R. Hall
Land Superintendent
Roswell Division

WRH-jh
Encl. 4

cc: Mr. John A. Anderson
Oil and Gas Supervisor
United States Geological Survey
Roswell, New Mexico

Mr. A. L. Porter, Jr.
Secretary - Director of New Mexico
Oil Conservation Commission
Capitol Annex Building
Santa Fe, New Mexico

Sub 227
MAIN OFFICE OCC

1956 MAY 24 AM 8:33

May 23, 1956

In reply refer to:
Unit Division

Continental Oil Co.
Box 749
Roswell, New Mexico

File
Re: (Termination of
Diamond Mound Unit
Agreement)

Attention: Mr. W. R. Hall
Land Superintendent
Roswell Division

Gentlemen:

We are enclosing the original, the direx copy, and one copy of "Request for Termination of the Diamond Mound Unit Agreement," which have been approved by the Commissioner of Public Lands as of May 23, 1956, and, according to the contract, becomes effective as of the first day of the month following the date of this approval.

May we assume that this termination is effective as of June 1, 1956, or when the termination contract is finally approved by the United States Geological Survey. Please inform us concerning this matter.

Very truly yours,

E. S. WALKER
Commissioner of Public Lands

MMR/m

enc: 3

cc: OCC-Santa Fe
USGS-Roswell

February 24, 1956

In reply refer to:
Unit Division

Continental Oil Co.
P. O. Box 431
Midland, Texas

Attention: Mr. T. J. Mathers

Re: Termination of the
Diamond Mound
Unit Agreement

Gentlemen:

Our last communication from you concerning the Diamond Mound Unit Agreement is dated December 15, 1954. We would like for you to inform us as to what action you are taking for the immediate termination of this agreement.

Very truly yours,

E. S. WALKER
Commissioner of Public Lands

MMR/m

cc: OCC-Santa Fe
USGS-Roswell



IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

P. O. Box 6721
Roswell, New Mexico

file
December 20, 1954

Continental Oil Company
P. O. Box 431
Midland, Texas

Gentlemen:

*approved 12/23/54
Subject to like
conditions. JAA*

The revised plan of development dated December 15, 1954, for the Diamond Mound unit agreement, New Mexico, I-Sec. No. 757, for the calendar year 1955, has been approved on this date subject to the condition that unless drilling operations to test the Pennsylvanian or lower formations are commenced within the year, the unit operator will take appropriate action to terminate the unit agreement. This conditional approval is subject to like approval by the appropriate State officials.

One approved copy of said plan is returned herewith.

Very truly yours,

[Signature]
JOHN A. ANDERSON
Regional Oil and Gas Supervisor

Copy to: Cons.Div.Wash.,D.C.(w/1 copy of plan of development)
✓N.M.O.C.C. Santa Fe (ltr only)

OIL CONSERVATION COMMISSION
P. O. BOX 871
SANTA FE, NEW MEXICO

*file
12/27*

December 23, 1954

Continental Oil Company
P. O. Box 431
Midland, Texas

Attention: Mr. R. L. Adams

Re: Diamond Mound Unit Area
Chavez and Eddy Counties,
New Mexico

Gentlemen:

This is to advise that the revised Plan of Development dated December 15, 1954, for the Diamond Mound Unit for the calendar year 1955 has this date been approved by the New Mexico Oil Conservation Commission, subject to the condition that unless drilling operations have commenced by December 31, 1955, to test the Pennsylvanian or lower formation, unit operator will take appropriate action to terminate the unit agreement. This conditional approval is subject to like approval by The Oil and Gas Supervisor, United States Geological Survey, and by the Commissioner of Public Lands of the State of New Mexico.

Yours very truly

W. B. MACEY
Secretary and Director

ga

*copy sent to U.S.G.S. Mineral
and to the oil and gas
and to the oil and gas
12/27/54
JWC*

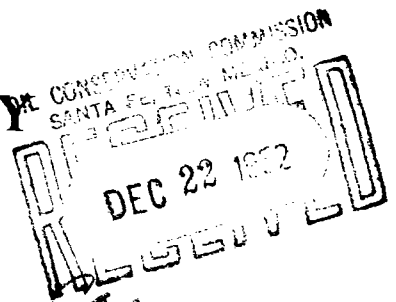


CONTINENTAL OIL COMPANY

FAIR BUILDING
FORT WORTH 2, TEXAS

H. L. JOHNSTON
REGIONAL MANAGER OF PRODUCTION
SOUTHWESTERN REGION

December 19, 1952



Oil Conservation Commission
State of New Mexico
Santa Fe, New Mexico

Gentlemen:

Under date of November 7, 1952, we forwarded to you three copies of an Application for Approval of Initial Participating Area for the Pennsylvanian Sand Zone, Diamond Mound Unit Area, Chaves and Eddy Counties, New Mexico. We requested an approved copy of this instrument for our file.

After checking our records, we are unable to find a reply from you regarding the above application, and we shall appreciate hearing from you regarding this matter at your earliest convenience.

Yours very truly,

HLJ-LP



CONTINENTAL OIL COMPANY

FAIR BUILDING
FORT WORTH 2, TEXAS

H. L. JOHNSTON
REGIONAL MANAGER OF PRODUCTION
SOUTHWESTERN REGION

December 19, 1952

Oil Conservation Commission
State of New Mexico
Santa Fe, New Mexico

Commissioner of Public Lands
State of New Mexico
Santa Fe, New Mexico

Gentlemen:

This is to advise that on December 9, 1952, Mr. Thomas B. Nolan, Acting Director of the United States Geological Survey, Washington, D. C., approved our application dated November 1, 1952, covering the establishment of the initial participating area for the Pennsylvanian Sand Zone of the Diamond Mound Unit Area, Chaves and Eddy Counties, New Mexico. Copies of this application were furnished you with our letters of November 7, 1952.

Yours very truly,

A handwritten signature in dark ink, appearing to read "H. L. Johnston", written over a horizontal line.

HLJ-LP

(1020 227)

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO.
NOV 13 1952

November 12, 1952

Subject:

Application for Approval of
Initial Participating Area
for the Pennsylvanian Sand Zone,
Diamond Mound Unit Area,
Chaves and Eddy Counties, New Mexico

Mr. H. L. Johnston
Regional Manager of Production
Northwestern Region
Continental Oil Company
Fair Building
Fort Worth 2, Texas

Dear Sir:

Reference is made to your letter dated November 7,
1952, and to the application attached thereto requesting
approval of Initial Participating Area for the Pennsylvanian
Sand Zone of the Diamond Mound Unit Agreement.

The application is being approved on this date subject
to line approval being had and obtained from the United
States Geological Survey and Oil Conservation Commission.

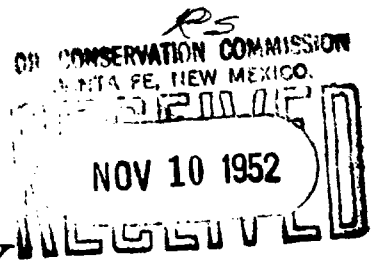
Very truly yours,

Oil Conservation
Commissioner of Public Lands

Enclosures

States: U. S. Geological Survey (3)
Oil Conservation Commission (1) ✓

ot



CONTINENTAL OIL COMPANY

FAIR BUILDING

FORT WORTH 2, TEXAS

November 7, 1952

H. L. JOHNSTON
REGIONAL MANAGER OF PRODUCTION
SOUTHWESTERN REGION

Oil Conservation Commission
State of New Mexico
Santa Fe, New Mexico

Gentlemen:

In accordance with the provisions of Section 10 of the Unit Agreement for the Development and Operation of the Diamond Mound Unit Area, Chaves and Eddy Counties, New Mexico, we are transmitting herewith for your consideration three copies of an Application for Approval of Initial Participating Area for the Pennsylvanian Sand Zone. The lands proposed for this initial participating area consist of the following:

The Southwest Quarter (SW/4), South Half of Northwest Quarter (S/2 NW/4), West Half of Southeast Quarter (W/2 SE/4), and Southwest Quarter of Northeast Quarter (SW/4 NE/4), all in Section 21, Township 16 South, Range 27 East, Eddy County, New Mexico.

We trust that this proposed application meets with your approval, and we shall appreciate your furnishing this office an approved copy of the instrument for our files.

Oil Conservation Commission
State of New Mexico
Page 2

Copies of this application are being filed at this time with the Commissioner of Public Lands of the State of New Mexico and the Supervisor of the United States Geological Survey at Roswell, New Mexico.

Yours very truly,

A handwritten signature in dark ink, appearing to read "H. H. Hinson", written in a cursive style.

HLJ-LP
Encs 3

Carbon copies to:
Oil Conservation Commission (2)

Mr. H. H. Hinson

THE UNITED STATES DEPARTMENT OF THE INTERIOR
THE STATE OF NEW MEXICO

PLAN OF DEVELOPMENT
FOR THE CALENDAR YEAR 1955
DIAMOND MOUND UNIT AREA
CHAVES AND EDDY COUNTIES, NEW MEXICO

TO THE OIL AND GAS SUPERVISOR
UNITED STATES GEOLOGICAL SURVEY
ROSWELL, NEW MEXICO

COMMISSIONER OF PUBLIC LANDS
STATE OF NEW MEXICO
SANTA FE, NEW MEXICO

OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO
SANTA FE, NEW MEXICO

*approved
12/23/54
subject to
conditions that
drilling operations
must commence by
12/31/55 to test the*

Pursuant to the provisions of Section 9 of the Unit
Agreement approved by the Acting Director of the United States
Geological Survey on October 24, 1950, the Commissioner of
Public Lands of the State of New Mexico on October 10, 1950,
and the State of New Mexico Oil Conservation Commission on July
20, 1950, affecting lands in the Diamond Mound Unit Area, Chaves
and Eddy Counties, New Mexico, Continental Oil Company, as
Operator of said unit, hereby submits for your approval a Plan
of Development for the calendar year 1955.

1. Development

The unit area contains at present one producing dry gas well, the G. W. Duffield No. 1, Northeast Quarter of the Southwest Quarter of Section 21, Township 16 South, Range 27 East, and one approved Participating Area for the Pennsylvanian Sand Zone covering the Southwest Quarter, South Half of the Northwest Quarter, West Half of the Southeast Quarter, and the Southwest Quarter of the Northeast Quarter of Section 21, Township 16 South, Range 27 East, Eddy County, New Mexico.

2. Further Development

The Unit Operator has drilled or supported the drilling of several dry holes in the Unit Area which in addition to an extensive seismograph program has resulted in considerable

expense. Notwithstanding the results obtained to date, the Unit Operator is diligently continuing to study the Unit Area for further exploration and development. The Unit Operator is now negotiating a Contract for Development which calls for the drilling of a Devonian test well presently proposed to be located within the unit boundaries in Section 31, Township 16 South, Range 27 East, Eddy County, New Mexico. Drilling of this well must be commenced within 60 days after receiving approval by the regulatory bodies. In event present plans are altered the Unit Operator will hold further discussions with the appropriate regulatory bodies with regard to future operations in the Unit Area.

3. Offset Obligations

The Unit Operator will take appropriate and adequate measures to prevent drainage of oil or gas from lands included in the Unit Area.

4. Effective Date

This Plan of Development shall be effective January 1, 1955, subject to approval by the Oil and Gas Supervisor, the Commissioner of Public Lands, and the Oil Conservation Commission.

5. Modifications

It is understood that portions of the Plan of Development herein outlined are dependent upon certain information to be obtained prior and subsequent to drilling, and other contingencies, such as projected formation depths, exact locations, and the availability of well casing; and for these reasons, this Plan of Development may be modified slightly from time to time, with the approval of the Oil and Gas Supervisor, the Commissioner of Public Lands, and the Oil Conservation Commission, to meet changing conditions.

CONTINENTAL OIL COMPANY, OPERATOR
DIAMOND MOUND UNIT

By: R. L. Adams
R. L. Adams
Assistant Division Supt.
of Production
West Texas-New Mexico Division

Dated:

December 15, 1954

THE UNITED STATES DEPARTMENT OF THE INTERIOR
THE STATE OF NEW MEXICO

PLAN OF DEVELOPMENT
FOR THE CALENDAR YEAR 1955
DIAMOND MOUND UNIT AREA
CHAVES AND EDDY COUNTIES, NEW MEXICO

TO THE OIL AND GAS SUPERVISOR
UNITED STATES GEOLOGICAL SURVEY
ROSWELL, NEW MEXICO

COMMISSIONER OF PUBLIC LANDS
STATE OF NEW MEXICO
SANTA FE, NEW MEXICO

OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO
SANTA FE, NEW MEXICO

Pursuant to the provisions of Section 9 of the Unit Agreement approved by the Acting Director of the United States Geological Survey on October 24, 1950, the Commissioner of Public Lands of the State of New Mexico on October 10, 1950, and the State of New Mexico Oil Conservation Commission on July 20, 1950, affecting lands in the Diamond Mound Unit Area, Chaves and Eddy Counties, New Mexico, Continental Oil Company, as Operator of said unit, hereby submits for your approval a Plan of Development for the calendar year 1955.

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CONTINENTAL OIL COMPANY, OPERATOR
DIAMOND MOUND UNIT

By: R. L. Adams
R. L. Adams
Assistant Division Supt.
of Production
West Texas-New Mexico Division

Dated:

December 15, 1954

THE UNITED STATES DEPARTMENT OF THE INTERIOR
THE STATE OF NEW MEXICO

PLAN OF DEVELOPMENT
FOR THE CALENDAR YEAR 1955
DIAMOND MOUND UNIT AREA
CHAVES AND EDDY COUNTIES, NEW MEXICO

TO THE OIL AND GAS SUPERVISOR
UNITED STATES GEOLOGICAL SURVEY
ROSWELL, NEW MEXICO

COMMISSIONER OF PUBLIC LANDS
STATE OF NEW MEXICO
SANTA FE, NEW MEXICO

OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO
SANTA FE, NEW MEXICO

Pursuant to the provisions of Section 9 of the Unit Agreement approved by the Acting Director of the United States Geological Survey on October 24, 1950, the Commissioner of Public Lands of the State of New Mexico on October 10, 1950, and the State of New Mexico Oil Conservation Commission on July 20, 1950, affecting lands in the Diamond Mound Unit Area, Chaves and Eddy Counties, New Mexico, Continental Oil Company, as Operator of said unit, hereby submits for your approval a Plan of Development for the calendar year 1955.

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This Plan of Development shall be effective January 1, 1955, subject to approval by the Oil and Gas Supervisor, the Commissioner of Public Lands, and the Oil Conservation Commission.

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CONTINENTAL OIL COMPANY, OPERATOR
DIAMOND MOUND UNIT

By: R. L. Adams
R. L. Adams
Assistant Division Supt.
of Production
West Texas-New Mexico Division

Dated:

December 15, 1954

THE UNITED STATES DEPARTMENT OF THE INTERIOR
THE STATE OF NEW MEXICO

PLAN OF DEVELOPMENT
FOR THE CALENDAR YEAR 1955
DIAMOND MOUND UNIT AREA
CHAVES AND EDDY COUNTIES, NEW MEXICO

TO THE OIL AND GAS SUPERVISOR
UNITED STATES GEOLOGICAL SURVEY
ROSWELL, NEW MEXICO

COMMISSIONER OF PUBLIC LANDS
STATE OF NEW MEXICO
SANTA FE, NEW MEXICO

OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO
SANTA FE, NEW MEXICO

Pursuant to the provisions of Section 9 of the Unit Agreement approved by the Acting Director of the United States Geological Survey on October 24, 1950, the Commissioner of Public Lands of the State of New Mexico on October 10, 1950, and the State of New Mexico Oil Conservation Commission on July 20, 1950, affecting lands in the Diamond Mound Unit Area, Chaves and Eddy Counties, New Mexico, Continental Oil Company, as Operator of said unit, hereby submits for your approval a Plan of Development for the calendar year 1955.

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2. Further Development

The Unit Operator has drilled or supported the drilling of several dry holes in the Unit Area which in addition to an extensive seismograph program has resulted in considerable

1

expense. Notwithstanding the results obtained to date, the Unit Operator is diligently continuing to study the Unit Area for further exploration and development. The Unit Operator is now negotiating a Contract for Development which calls for the drilling of a Devonian test well presently proposed to be located within the unit boundaries in Section 31, Township 16 South, Range 27 East, Eddy County, New Mexico. Drilling of this well must be commenced within 60 days after receiving approval by the regulatory bodies. In event present plans are altered the Unit Operator will hold further discussions with the appropriate regulatory bodies with regard to future operations in the Unit Area.

3. Offset Obligations

The Unit Operator will take appropriate and adequate measures to prevent drainage of oil or gas from lands included in the Unit Area.

4. Effective Date

This Plan of Development shall be effective January 1, 1955, subject to approval by the Oil and Gas Supervisor, the Commissioner of Public Lands, and the Oil Conservation Commission.

5. Modifications

It is understood that portions of the Plan of Development herein outlined are dependent upon certain information to be obtained prior and subsequent to drilling, and other contingencies, such as projected formation depths, exact locations, and the availability of well casing; and for these reasons, this Plan of Development may be modified slightly from time to time, with the approval of the Oil and Gas Supervisor, the Commissioner of Public Lands, and the Oil Conservation Commission, to meet changing conditions.

CONTINENTAL OIL COMPANY, OPERATOR
DIAMOND MOUND UNIT

By: R. L. Adams
R. L. Adams
Assistant Division Supt.
of Production
West Texas-New Mexico Division

Dated:

December 15, 1954

THE UNITED STATES DEPARTMENT OF THE INTERIOR
THE STATE OF NEW MEXICO

PLAN OF DEVELOPMENT
FOR THE CALENDAR YEAR 1955
DIAMOND MOUND UNIT AREA
CHAVES AND EDDY COUNTIES, NEW MEXICO

TO THE OIL AND GAS SUPERVISOR
UNITED STATES GEOLOGICAL SURVEY
ROSWELL, NEW MEXICO

COMMISSIONER OF PUBLIC LANDS
STATE OF NEW MEXICO
SANTA FE, NEW MEXICO

OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO
SANTA FE, NEW MEXICO

*Received
dated 12/2/54
12/2/54*

Pursuant to the provisions of Section 9 of the Unit Agreement approved by the Acting Director of the United States Geological Survey on October 24, 1950, the Commissioner of Public Lands of the State of New Mexico on October 10, 1950, and the State of New Mexico Oil Conservation Commission on July 20, 1950, affecting lands in the Diamond Mound Unit Area, Chaves and Eddy Counties, New Mexico, Continental Oil Company, as Operator of said unit, hereby submits for your approval a Plan of Development for the calendar year 1955.

1. Development

The unit area contains at present one producing dry gas well, the G. W. Duffield No. 1, Northeast Quarter of the Southwest Quarter of Section 21, Township 16 South, Range 27 East, and one approved Participating Area for the Pennsylvanian Sand Zone covering the Southwest Quarter, South Half of the Northwest Quarter, West Half of the Southeast Quarter, and the Southwest Quarter of the Northeast Quarter of Section 21, Township 16 South, Range 27 East, Eddy County, New Mexico.

2. Further Development

The Unit Operator has drilled or supported the drilling of several dry holes in the Unit Area which in addition to an extensive seismograph program has resulted in considerable

expense. Notwithstanding the results shown so far obtained to date, the Unit Operator is diligently continuing to study the Unit Area for further exploration and development. It is probable that additional development will be undertaken during the Year 1955.

3. Offset Obligations

The Unit Operator will take appropriate and adequate measures to prevent drainage of oil or gas from lands included in the unit area.

4. Effective Date

This Plan of Development shall be effective January 1, 1955, subject to approval by the Oil and Gas Supervisor, the Commissioner of Public Lands, and the Oil Conservation Commission.

5. Modifications

It is understood that portions of the Plan of Development herein outlined are dependent upon certain information to be obtained prior and subsequent to drilling, and other contingencies, such as projected formation depths, exact locations, and the availability of well casing; and for these reasons, this Plan of Development may be modified slightly from time to time, with the approval of the Oil and Gas Supervisor, the Commissioner of Public Lands, and the Oil Conservation Commission, to meet changing conditions.

CONTINENTAL OIL COMPANY, OPERATOR
DIAMOND MOUND UNIT

By: R. L. Adams
R. L. Adams
Assistant Division Supt.
of Production
West Texas-New Mexico Division

Dated:

December 8, 1954.

THE UNITED STATES DEPARTMENT OF THE INTERIOR
THE STATE OF NEW MEXICO

PLAN OF DEVELOPMENT
FOR THE CALENDAR YEAR 1954
DIAMOND MOUND UNIT AREA
CHAVES AND EDDY COUNTIES, NEW MEXICO

TO THE OIL AND GAS SUPERVISOR
UNITED STATES GEOLOGICAL SURVEY
ROSWELL, NEW MEXICO

COMMISSIONER OF PUBLIC LANDS
STATE OF NEW MEXICO
SANTA FE, NEW MEXICO

OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO
SANTA FE, NEW MEXICO

Pursuant to the provisions of Section 9 of the Unit Agreement approved by the Acting Director of the United States Geological Survey on October 24, 1950, the Commissioner of Public Lands of the State of New Mexico on October 10, 1950, and the State of New Mexico Oil Conservation Commission on July 20, 1950, affecting lands in the Diamond Mound Unit Area, Chaves and Eddy Counties, New Mexico, Continental Oil Company, as Operator of said unit, hereby submits for your approval a Plan of Development for the calendar year 1954.

1. Exploratory

An exploratory test is now being drilled to approximately 11,000 feet to test the Ellenburger formation at a location 660 feet from the South line and 1,980 feet from the East line of Section 4, Township 16 South, Range 27 East, Eddy County, New Mexico. This well will test all other formations that show possibilities of commercial hydrocarbon production.

2. Development

The unit area contains at present one producing dry gas well, the G. W. Duffield No. 1, Northeast Quarter of the Southwest Quarter of Section 21, Township 16 South, Range 27 East, and one approved Participating Area for the Pennsylvanian Sand Zone covering the Southwest Quarter, South Half of the

Northwest Quarter, West Half of the Southeast Quarter, and the Southwest Quarter of the Northeast Quarter of Section 21, Township 16 South, Range 27 East, Eddy County, New Mexico.

No additional development wells are contemplated during the year 1954 pending completion of the Ellenburger exploratory test described in paragraph (1) above.

3. Offset Obligations

The Unit Operator will take appropriate and adequate measures to prevent drainage of oil or gas from lands included in the unit area.

4. Further Development

This Plan of Development is submitted pending completion of the Ellenburger exploratory test well described in paragraph (1) above. It is the intention of the Operator to submit a Supplemental Plan of Development upon the completion of said Ellenburger well.


5. Effective Date

This Plan of Development shall be effective January 1, 1954, subject to approval by the Oil and Gas Supervisor, the Commissioner of Public Lands, and the Oil Conservation Commission.

6. Modifications

It is understood that portions of the Plan of Development herein outlined are dependent upon certain information to be obtained prior and subsequent to drilling, and other contingencies, such as projected formation depths, exact locations, and the availability of well casing; and for these reasons, this Plan of Development may be modified slightly from time to time, with the approval of the Oil and Gas Supervisor, the Commissioner of Public Lands, and the Oil Conservation Commission, to meet changing conditions.

CONTINENTAL OIL COMPANY, OPERATOR
DIAMOND MOUND UNIT

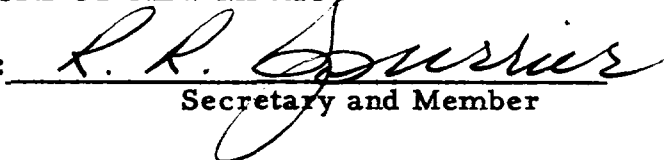
By: 
H. L. Johnston
Regional Manager
of Production
Southwestern Region

Dated:

December 23, 1953.

Approved this 26th day of January, 1954

OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO

BY: 
Secretary and Member



IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

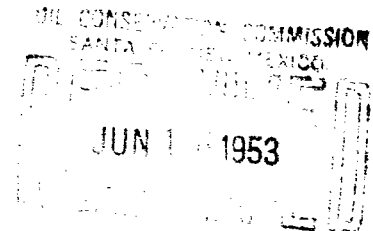
P. O. Box 997
Roswell, New Mexico

June 16, 1953

Continental Oil Company
Fair Building
Fort Worth, Texas

Attention: Mr. H. L. Johnston

Gentlemen:



Your plan of development dated May 9, 1953, for the Diamond Mound Unit Area, I-Sec. No. 757, covering the period May 12, 1953, through December 31, 1953, is approved on this date subject to like approval by the Commissioner of Public Lands, State of New Mexico, and the New Mexico Oil Conservation Commission.

Only three copies of the plan of development were submitted, all of which are needed for Survey records. If you wish to have a copy of the plan showing our approval thereon, please submit one additional copy.

Very truly yours,

JOHN A. ANDERSON
Regional Oil and Gas Supervisor

Copy to: Commissioner of Public Lands, Santa Fe
Oil Conservation Commission, Santa Fe
Continental Oil Company, Roswell

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

June 8, 1953

C
O
P
Y
Oil and Gas Supervisor
United States Geological Survey
P. O. Box 997
Roswell, New Mexico

Re: Plan of Development for the
Calendar Year 1953, Diamond
Mound Unit Area, Chaves and
Eddy Counties, New Mexico.

Dear Sir:

I am in receipt of the above captioned request which is allright with me but, I will withhold approving the same, until I have heard from you on the matter.

Very truly yours,

R. R. Spurrier
Secretary-Director

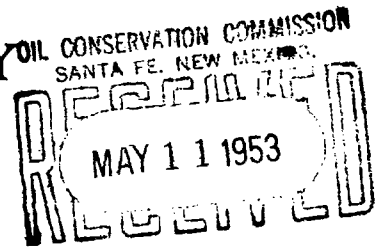
cc: Mr. E. S. Walker
Commissioner of Public Lands
Santa Fe, New Mexico

CONTINENTAL OIL COMPANY

FAIR BUILDING
FORT WORTH 2, TEXAS

H. L. JOHNSTON
REGIONAL MANAGER OF PRODUCTION
SOUTHWESTERN REGION

May 9, 1953



Oil and Gas Supervisor
United States Geological Survey
P. O. Box 997
Roswell, New Mexico

Commissioner of Public Lands
State of New Mexico
Santa Fe, New Mexico

Oil Conservation Commission
State of New Mexico
Santa Fe, New Mexico

Gentlemen:

We are transmitting herewith for your consideration a Plan of Development for the Calendar Year 1953 covering the Diamond Mound Unit Area, Chaves and Eddy Counties, New Mexico. If this Plan of Development meets with your approval, please return one signed copy to this office at your earliest convenience.

Yours very truly,

HLJ-DM
Enclosures

NK KS
6/8

THE UNITED STATES DEPARTMENT OF THE INTERIOR
THE STATE OF NEW MEXICO

PLAN OF DEVELOPMENT
FOR THE CALENDAR YEAR 1953
DIAMOND MOUND UNIT AREA
CHAVES AND EDDY COUNTIES, NEW MEXICO

TO THE OIL AND GAS SUPERVISOR
UNITED STATES GEOLOGICAL SURVEY
BOSWELL, NEW MEXICO

COMMISSIONER OF PUBLIC LANDS
STATE OF NEW MEXICO
SANTA FE, NEW MEXICO

OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO
SANTA FE, NEW MEXICO

Pursuant to the provisions of Section 9 of the Unit Agreement approved by the Acting Director of the United States Geological Survey on October 24, 1950, the Commissioner of Public Lands of the State of New Mexico on October 10, 1950, and the State of New Mexico Oil Conservation Commission on July 20, 1950, affecting lands in the Diamond Mound Unit Area, Chaves and Eddy Counties, New Mexico, Continental Oil Company, as Operator of said unit, hereby submits for your approval a Plan of Development for the calendar year 1953.

1. Exploratory

An exploratory test will be drilled to approximately 11,000 feet to test the Ellenburger formation at a location 660 feet from the South line and 660 feet from the East line of Section 4, Township 16 South, Range 27 East, Eddy County, New Mexico. This well will test all other formations that show possibilities of commercial hydrocarbon production.

2. Development

The unit area contains at present one producing dry gas well, the G. W. Huffield No. 1, Northeast quarter of the Southwest Quarter of Section 21, Township 16 South, Range 27 East, and

one approved Participating Area for the Pennsylvanian Sand Zone covering the Southwest Quarter, South Half of the Northwest Quarter, West Half of the Southeast Quarter, and the Southwest Quarter of the Northeast quarter of Section 21, Township 16 South, Range 27 East, Eddy County, New Mexico.

No additional development wells are contemplated during the year 1953 pending completion of the Ellenburger exploratory test described in paragraph (1) above.

3. Offset Obligations

The Unit Operator will take appropriate and adequate measures to prevent drainage of oil or gas from lands included in the unit area.

4. Further Development

This Plan of Development is submitted for the period ending December 31, 1953. Prior to that date another Plan of Development will be submitted to the Oil and Gas Supervisor, the Commissioner of Public Lands, and the Oil Conservation Commission.

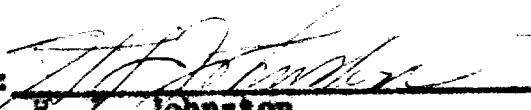
5. Effective Date

This Plan of Development shall be effective May 12, 1953, subject to approval by the Oil and Gas Supervisor, the Commissioner of Public Lands, and the Oil Conservation Commission.

6. Modifications

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CONTINENTAL OIL COMPANY, OPERATOR
DIAMOND MOUND UNIT

By: 
H. L. Johnston
Regional Manager
of Production
Southwestern Region

Dated:

May 9, 1953.



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

F. C. Box 997
Roswell, New Mexico

IN REPLY REFER TO:

OIL CONSERVATION
 BUREAU
 FEB 1 1963
 JUL 1 1963

February 12, 1953

Continental Oil Company
Fair Building
Fort Worth, Texas

Attention: Mr. E. L. Johnston

Gentlemen:

Your application of November 3, 1952, requests a six months extension of time from November 12, 1952, within which to file a plan of development and operation for the Diamond Mound Unit Area, I-Sec. No. 757, Chaves and Eddy Counties, New Mexico, on which a productive well was completed May 13, 1952.

Extension of time to May 12, 1953, within which to submit such plan of development is hereby granted pursuant to Section 9 of the unit agreement. Similar action was taken by the Commissioner of Public Lands of the State of New Mexico on November 10, 1952.

Very truly yours,

(Orig. Sgd.) ...

JOHN L. ANDERSON
Regional Oil and Gas Supervisor

Copy to: Washington w/copy of application
Commissioner of Public Lands, Santa Fe
Oil Conservation Commission, Santa Fe

OIL CONSERVATION COMMISSION

P. O. BOX 871
SANTA FE, NEW MEXICO

November 13, 1952

C
O
P
Y

Continental Oil Company
1710 Fair Building
Fort Worth 2, Texas

Attention: Mr. H. L. Johnston - Reg. Mgr. of Prod. - SW Region

Re: Plan of Development
Diamond Mount Unit Area
Chaves and Eddy Counties,
New Mexico - I Section No. 757

Gentlemen:

Per your request of November 3, 1952, the New Mexico Oil Conservation Commission has this date approved a six month extension for the filing of a Plan of Development for the abovementioned unit area from November 12, 1952 to May 12, 1953.

Very truly yours,

R. R. Spurrier
Secretary - Director

lh
cc: USGS - Roswell
Commissioner of Public Lands - Santa Fe

November 10, 1952

Mr. H. L. Johnston
Regional Manager of Production
Southwestern Region
Continental Oil Company
Fair Building
Fort Worth 2, Texas

Re: Plan of Development
Diamond Round Unit Area
Chaves and Eddy Counties

Dear Sir:

We have your letter dated November 3, 1952 requesting an extension for filing a plan of development of the Diamond Round Unit Agreement for a six month period from and after November 12, 1952.

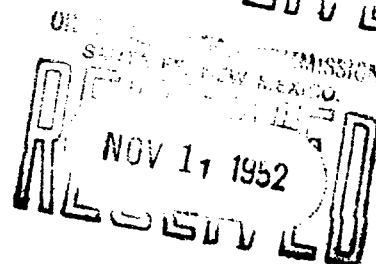
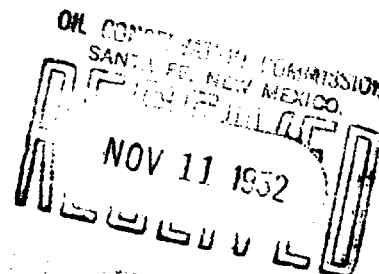
The plan of development is hereby approved until May 12, 1953, subject to like approval first being had and obtained from the United States Geological Survey.

Yours very truly,

GUY SHEPARD, Commissioner of
Public Lands

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

et



CONTINENTAL OIL COMPANY

¹⁷¹⁰
FAIR BUILDING

FORT WORTH 2, TEXAS

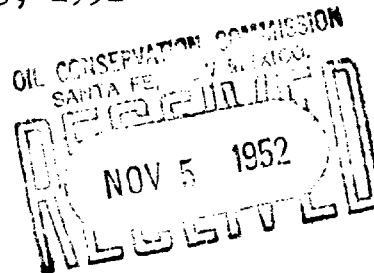
November 3, 1952

H. L. JOHNSTON
REGIONAL MANAGER OF PRODUCTION
SOUTHWESTERN REGION

Mr. John A. Anderson
Oil and Gas Supervisor
Southwestern Region
United States Geological Survey
P. O. Box 997
Roswell, New Mexico

Commissioner of Public Lands
State of New Mexico
Santa Fe, New Mexico

Oil Conservation Commission
State of New Mexico
Santa Fe, New Mexico



Re: Plan of Development
Diamond Mound Unit Area
Chaves and Eddy Counties
I Section No. 757

Gentlemen:

Section 9 of the Unit Agreement for the Development and Operation of the Diamond Mound Unit Area, Chaves and Eddy Counties, New Mexico, requires the Unit Operator to submit for the approval of the Supervisor, the Commissioner, and the Commission, an acceptable plan of development and operation for the unitized land which, when properly approved, shall constitute the further drilling and operating obligations of the Unit Operator under this agreement for the period specified therein. The Unit Agreement also states that the plan of development shall be filed

within six months after completion of a well capable of producing unitized substances in paying quantities, but the Supervisor and Commissioner are authorized to grant a reasonable extension of the six month period where such action is justified because of unusual conditions or circumstances.

Continental Oil Company, as Unit Operator, completed the Gertrude W. Duffield well No. 1 on May 13, 1952, within the unit area at a location 1980 feet from the South and West lines of Section 21-16-27, Eddy County, New Mexico. This well was completed in a consolidated Pennsylvanian sand zone through perforations between 8616 feet and 8715 feet for an initial potential of 3,800 MCF dry gas per day. The Acting Director of the United States Geological Survey, on June 24, 1952, rendered an opinion that this well is a valuable discovery of unitized substances within the intent and purpose of the Unit Agreement.

The discovery well had an initial static surface pressure of 2412 psig. This pressure prevailed on June 16, 1952, when a pipe line connection was obtained and production commenced. It has declined since that date to a value of 2,252 psig on October 2, 1952. During this same interval, 96,213 MCF of gas and 883 barrels of distillate have been produced.

The rapid pressure decline in the Duffield No. 1 indicates that the reservoir may be a small one, but insufficient production history has accumulated as yet to calculate the size

with reasonable accuracy. For this reason, Continental does not plan to schedule further development in the vicinity of the discovery well until more pressure and production data are available.

The discovery well has added considerably to the knowledge of the geology of the unit area and Continental is now conducting additional evaluation studies of the results of the exploratory work and drilling to date on the block. At the conclusion of these studies, if further exploratory work is desirable, Continental will promote the drilling of such additional wells as are necessary to explore the unit area.

Because insufficient production data have accumulated to evaluate the producing reservoir, and because studies of the exploratory possibilities are not yet completed, Continental Oil Company, as Unit Operator, respectfully requests the Supervisor, the Commissioner, and the Commission, to exercise the authority granted by Section 9 of the Unit Agreement and to extend the present deadline for filing a plan of development, which is November 12, 1952, for a six-month period, so that the plan of development shall not be due until May 12, 1953.

Yours very truly,



HLJ-MC
Carbon copies to:
Mr. John A. Anderson (2)
Commissioner of Public Lands (1)
Oil Conservation Commission (1)

Oil Conservation Commission
Santa Fe, New Mexico.
DEC 10 1951
RECEIVED

December 10, 1951

Mr. H. L. Thrach, Land Representative of
Continental Oil Company
Pacell Division
Oswall, New Mexico

Re: Diamond Lease Unit Agreement

227

Dear Sir:

We have your application dated November 7, 1951 and your letter of November 5, 1951 requesting that your company be granted a six months' extension within which to commence a second well in the above captioned unit agreement in City County.

The undersigned hereby consents to the extension of time of six months from and after December 23, 1951, within which to commence an additional test well in the Diamond Lease Unit Agreement; provided, however, similar authorization for extension is granted by the Director of the U. S. Geological Survey.

Very truly yours,

Ray Shepard,
Commissioner of Public Lands.

Oil Conservation Commission
Santa Fe, New Mexico
U. S. Geological Survey
Oswall, New Mexico

July 20, 1950

Oil Conservation Commission
205 Booker Building
Artesia, New Mexico

Gentlemen:

We enclose herewith, signed copy of Case No. 227, Order No. E-25, issued by the Commission in connection with the hearing held in Santa Fe, New Mexico, on July 18, 1950.

Very truly yours,

R. R. Spurrier
Secretary-Director

RRS:bw
encl.

July 20, 1950

Oil Conservation Commission
P. O. Box 1545
Hobbs, New Mexico

Gentlemen:

We enclose herewith, signed copy of Case No. 227, Order No. R-25, issued by the Commission in connection with the hearing held in Santa Fe, New Mexico, on July 18, 1950.

Very truly yours,

R. R. Spurrier
Secretary-Director

RRS:bw
encl.

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF THE CONTINENTAL OIL COMPANY,
A CORPORATION, FOR AN ORDER
APPROVING THE PROPOSED DIAMOND
MOUND UNIT AGREEMENT EMBRACING
28,592.85 ACRES OF FEDERAL, STATE
AND PRIVATELY OWNED LANDS SITUATED
IN CHAVES AND EDDY COUNTIES, NEW
MEXICO, WITHIN TOWNSHIPS 15 and
16 SOUTH, RANGES 26 AND 27 EAST,
N.M.P.M.

CASE NO. 227

ORDER NO. R-25

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 10:00 o'clock, A.M., on the 18th day of July 1950, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission", upon the application of the Continental Oil Company for approval of the Diamond Mound Unit Agreement embracing lands situated in Chaves and Eddy Counties, New Mexico and the Commission having considered said application and the evidence introduced in support thereof and being fully advised in the premises:

FINDS that the proposed unit plan will in principle tend to promote the conservation of oil and gas and the prevention of waste;

IT IS THEREFORE ORDERED BY THE COMMISSION AS FOLLOWS:

SECTION 1. That this order shall be known as the

DIAMOND MOUND UNIT AGREEMENT ORDER

SECTION 2. (a) That the project herein referred to shall be known as the Diamond Mound Unit Agreement, and shall hereafter be referred to as the "Project".

(b) That the plan by which the Project shall be operated shall be embraced in the form of a unit agreement for the development and operation of the Diamond Mound Unit Area referred to in the Petitioner's petition and filed with said petition, and such plan shall be known as the Diamond Mound Unit Agreement Plan.

SECTION 3. That the Diamond Mound Unit Agreement Plan shall be, and hereby is, approved in principle as a proper conservation measure; provided, however, that notwithstanding any of the provisions contained in said unit agreement this approval shall not be considered as waiving or relinquishing in any manner any rights, duties or obligations which are now, or may hereafter, be vested in the New Mexico Oil Conservation Commission by law relative to the

supervision and control of operations for exploration and development of any lands committed to said Diamond Mound Unit Agreement, or relative to the production of oil or gas therefrom.

SECTION 4. (a) That the Unit Area shall be:

NEW MEXICO PRINCIPAL MERIDIAN

T. 15 S., R. 26 E.

Sec. 24, SE $\frac{1}{4}$
Sec. 25, all
Sec. 26, SE $\frac{1}{4}$
Sec. 35, E $\frac{1}{2}$
Sec. 36, all

T. 15 S., R. 27 E.,

Sec. 19, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$
Sec. 20, S $\frac{1}{2}$
Secs. 29, 30, and 31, all
Sec. 32, all
Sec. 33, W $\frac{1}{2}$ W $\frac{1}{2}$

T. 16 S., R. 27 E.,

Secs. 1 to 34 inclusive
Sec. 35, NW $\frac{1}{4}$ NW $\frac{1}{4}$

Total unit area 28,592.85 acres, more or less.

(b) The unit area may be enlarged or contracted as provided in said Plan.

SECTION 5. That the unit operator shall file with the Commission an executed original or executed counterpart of the Diamond Mound Unit Agreement within 30 days after the effective date thereof.

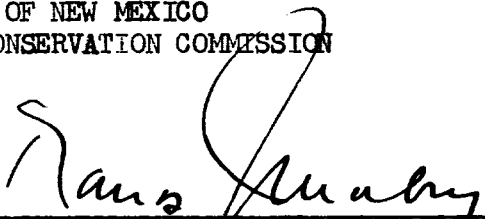
SECTION 6. That any party owning rights in the unitized substances who does not commit such rights to said unit agreement before the effective date thereof may thereafter become a party thereto by subscribing to such agreement or counterpart thereof. The unit operator shall file with the Commission within 30 days an original of any such counterpart.

SECTION 7. That this Order shall become effective on the first day of the calendar month next following the approval of the Commissioner of Public Lands of the State of New Mexico and the Director of the United States Geological Survey, and shall terminate ipso facto on the termination of said unit agreement. The last unit operator shall immediately notify the Commission in writing of such termination.

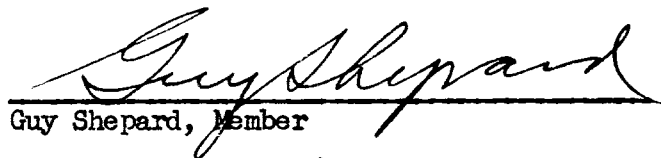
1950.

DONE at Santa Fe, New Mexico, on the 20th day of July,

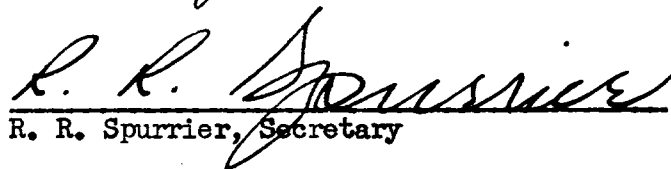
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



Thomas J. Mabry, Chairman



Guy Shepard, Member



R. R. Spurrier, Secretary

Roswell Daily Record

2287 - PHONES - 2288

ROSWELL, NEW MEXICO

MEMBER:
ASSOCIATED PRESS
AUDIT BUREAU OF CIRCULATION
MERCHANTS CREDIT ASSOCIATION

CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
JUL 17 1950
LEADING DAILY NEWSPAPER
OF THE PECOS VALLEY
BRINGING TODAY'S NEWS TODAY

13 July 1950

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

Dear Mr. Spurrier:

Inclosed find Affidavits of Publication on Case 227, 230, 231 and 232. These were published in the Roswell Daily Record instead of the Roswell Morning Dispatch as requested by you because publication of the Roswell Morning Dispatch was suspended as of 1 April 1950.

I regret that these did not appear before 6 July as you requested, however I was out of town for several days and this lay on my desk awaiting my return instead of being published as requested. I hope the delay in publication will not seriously inconvenience you.

Sincerely,

RECORD PUBLISHING CO., INC.

By: *Lynn W. Crissant*

June 29, 1950

Mr. E. B. Gresson
Box 1302
Albuquerque, New Mexico

Dear Mr. Gresson:

We are having a hearing on July 18, as per Notice of Publication attached.

We would appreciate it if you could come and take the record, or send a substitute.

Very truly yours,

R. R. Spurrier
Secretary-Director

RRS:lw
encl.

June 29, 1950

REGISTERED MAIL

ROSWELL DISPATCH
Roswell, New Mexico

Re: Notice of Publication
Case 227, 230, 231 and 232

Gentlemen:

Please publish the enclosed notice once, immediately. Please proof read the notice carefully and send a copy of the paper carrying such notice to this office.

UPON COMPLETION OF THE PUBLICATION SEND PUBLISHER'S AFFIDAVIT IN DUPLICATE.

For payment, please submit statement in duplicate, and sign and return the enclosed voucher.

PLEASE PUBLISH NOT LATER THAN JULY 5, 1950.

Very truly yours,

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

R. R. Spurrier
Secretary-Director

RRS:bw
encl.

June 29, 1950

SANTA FE NEW MEXICAN

Santa Fe, New Mexico

Re: Notices of Publication
Cases 227 through 232

Gentlemen:

Please publish the enclosed notices once, immediately. Please proof read the notices carefully and send a copy of the paper carrying such notices to this office.

UPON COMPLETION OF THE PUBLICATION SEND PUBLISHER'S AFFIDAVIT IN DUPLICATE.

For payment, please submit statement in duplicate, and sign and return the enclosed voucher.

PLEASE PUBLISH NOT LATER THAN JULY 5, 1950.

Very truly yours,

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

R. R. Spurrier
Secretary-Director

RRS:bw
encls.

*Cases
227 through 232*

June 29, 1950

REGISTERED MAIL

Mr. Glenn Staley
Lea County Operators Committee
Drawer 152
Hobbs, New Mexico

Dear Mr. Staley:

We enclose herewith, two Notices of Publication - one covering a hearing to be held on July 18th and the other to be held on July 25.

Very truly yours,

R. R. Spurrier
Secretary-Director

RMS:lv
encls.

NOTICE FOR PUBLICATION
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

The State of New Mexico by its Oil Conservation Commission hereby gives notice pursuant to law and the rules and regulations of said Commission promulgated thereunder, of the following public hearing to be held July 18, 1950, beginning at 10:00 o'clock A. M. on that day in the City of Santa Fe, New Mexico, in the Capitol (Hall of Representatives).

STATE OF NEW MEXICO TO:

All named parties in the following
case and notice to the public:

Case 227

In the matter of the application of Continental Oil Company, a corporation, for an order approving the proposed Diamond Mound Unit Agreement, embracing 27,272.85 acres of Federal, State and privately owned lands, situated in Chaves and Eddy Counties, New Mexico and more particularly described as follows:

Twp. 15S, R. 26E, - SE/4, Sec. 24
All Sec. 25
SE/4 Sec. 26
E/2 Sec. 35
All, Sec. 36
Twp. 15S, R. 27E, - S/2 N/2 S/2 Sec. 19
S/2 Sec. 20
All, Secs. 29, 30, 31, 32
W/2 W/2 Sec. 33
Twp. 16S, R. 27E, - All Secs. 1 to 34 inclusive
NW/4 NW/4, Sec. 35.

Given under the seal of the Oil Conservation Commission of New Mexico,
at Santa Fe, New Mexico, on June 29, 1950.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


R. R. SPURRIER, SECRETARY

June 29, 1950

REGISTERED MAIL

CARLSBAD CURRENT-ARGUS
Carlsbad, New Mexico

Re: Notice of Publication
Cases 227, 230, 231 and 232

Gentlemen:

Please publish the enclosed notice once, immediately. Please proof read the notice carefully and send a copy of the paper carrying such notice to this office.

UPON COMPLETION OF THE PUBLICATION SEND PUBLISHER'S AFFIDAVIT IN DUPLICATE.

For payment, please submit statement in duplicate, and sign and return the enclosed voucher.

PLEASE PUBLISH NOT LATER THAN JULY 5, 1950.

Very truly yours,

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

R. R. Spurrier
Secretary-Director

RRS:bw
encl.

AFFIDAVIT OF PUBLICATION

County of Chaves
State of New Mexico.

I, Lynn W. Croissant
Bookkeeper

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 sup-

plement thereof for a period of.....

One weeks

beginning with the issue dated

6 July 1950

and ending with the issue dated.....

6 July 1950

Lynn W. Croissant
Bookkeeper

Sworn and subscribed to before me

this 1 day of.....

....., 19.....

Notary Public.

My commission expires

....., 19.....

(Seal)

**RUN 6 JULY
NOTICE FOR PUBLICATION
STATE OF NEW MEXICO
OIL CONSERVATION
COMMISSION**

The State of New Mexico by its Oil Conservation Commission hereby gives notice pursuant to law and the rules and regulations of said Commission promulgated thereunder, of the following public hearing to be held July 18, 1950, beginning at 10:00 o'clock A. M. on that day in the City of Santa Fe, New Mexico, in the Capitol (Hall of Representatives).

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Twp. 15S, R. 26E—SE $\frac{1}{4}$ Sec. 24.
All, Sec. 25
SE $\frac{1}{4}$, Sec. 26
E $\frac{1}{2}$, Sec. 35
All, Sec. 36
Twp. 15S, R. 27E,—S $\frac{1}{2}$ N $\frac{1}{2}$ S $\frac{1}{2}$
Sec. 19
S $\frac{1}{2}$ Sec. 20
All, Secs. 29,
30, 31, 32
W $\frac{1}{2}$ W $\frac{1}{2}$, Sec.
33
Twp. 16S, R. 27E—All Secs. 1 to
34 inclusive
NW $\frac{1}{4}$ NW $\frac{1}{4}$,
Sec. 35.

Given under the seal of the Oil Conservation Commission of New Mexico, at Santa Fe, New Mexico on June 29, 1950.

State of New Mexico
Oil Conservation Commission.
(Seal) R. R. Spurrier,
Secretary.

NOTICE FOR PUBLICATION
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION
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Twp 15S, A. 26E, SE/4, Sec. 24
All. Sec. 25
SE/4, Sec. 26
E 2, Sec. 35
All. Sec. 36
Twp. 15S, R. 27E, S/2 N/2 S/2 Sec. 19
S/2, Sec. 20
All. Secs. 29, 30, 31,
32
W/2 W/2, Sec. 33
Twp. 16S, R. 27E, All. Secs. 1 to 34
inclusive

NW 4 NW/4, Sec. 35.
Given under the seal of the Oil Conservation Commission of New Mexico, at Santa Fe, New Mexico, on June 29, 1950.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION
SEAL R. R. SPURRIER,
Secretary

Pub.: July 3, 1950.

Affidavit of Publication

State of New Mexico)
County of Santa Fe) ss.

I, Will Harrison, being first duly sworn,
declare and say that I am the (~~Business Manager~~) (Editor) of the Santa Fe
New Mexican, a daily newspaper, published in the English
Language, and having a general circulation in the City and County of Santa Fe, State of
New Mexico, and being a newspaper duly qualified to publish legal notices and adver-
tisements under the provisions of Chapter 167 of the Session Laws of 1937; that the
publication, a copy which is hereto attached, was published in said paper once ~~each week~~
for 1 time ~~consecutive~~ weeks, and on the same day of each week in
the regular issue of the paper during the time of publication, and that the notice was
published in the newspaper proper, and not in any supplement, once each week for
1 time ~~times~~ consecutively, the first publication being on the
3 rd day of July, 19 50, and the last publica-
~~tion on the~~ ~~day of~~ 19; that payment
for said advertisement has been (duly made), or (assessed as court costs); that the
undersigned has personal knowledge of the matters and things set forth in this affidavit.

PUBLISHER'S BILL

45 lines, one time at \$ 4.50
lines, times, \$
Tax \$
Total \$ 4.50

Received payment,

By

Will Harrison
Editor-Manager

Subscribed and sworn to before me this 5 th

day of July, A.D., 1950

Anna R. Lawrence
Notary Public

My Commission expires

June 17, 1953



CONTINENTAL OIL COMPANY

Fort Worth 2, Texas
June 22, 1950

Via Air Mail

Mr. Dick Spurrier, Secretary
New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Dear Mr. Spurrier:

We enclose application in triplicate for approval of Diamond Mound Unit Area, Chaves and Eddy Counties, New Mexico, as requested by Mr. Clarence E. Hinkle, attorney at Roswell.

Mr. Hinkle has informed us that he will furnish you three copies of the unit agreement.

Representatives of Continental Oil Company will be available for a hearing on any date which meets with your convenience and it is presumed that either you or Mr. Hinkle will advise us thereof when a date is set so that reservations may be arranged.

Yours very truly,

A handwritten signature in cursive script, reading "T. M. Cady".

T. M. Cady
Area Land Superintendent
Fort Worth Area

TJM-MM
Enc. 3
Carbon copy to:
Mr. Clarence E. Hinkle - Roswell, N.M.

LAW OFFICES
HERVEY, DOW & HINKLE
ROSWELL, NEW MEXICO
June 20, 1950

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

WILLIAM C. SCHAUER

*Sit to hear
25 July*

RECEIVED
JUL 21 1950
FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
WASHINGTON, D. C.

New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Gentlemen:

Please find enclosed three copies of the
Unit Agreement for the Development and Operation of
the Diamond Mound Unit Area.

The Continental Oil Company is sending you
direct an Application for Approval of the above-mentioned
Unit Agreement.

Yours very truly,

HERVEY, DOW & HINKLE

By Clarence E. Hinkle
by ac

CEH:dc
Encls.

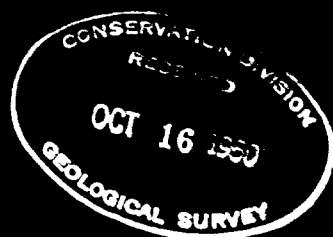
cc Continental Oil Company
Ft. Worth, Texas

RECEIVED

OCT 11 1950
U. S. GEOLOGICAL SURVEY
ROSWELL, NEW MEXICO

UNIT AGREEMENT
FOR THE DEVELOPMENT AND OPERATION OF
THE DIAMOND MOUND

UNIT AREA, COUNTIES OF CHAVES AND EDDY
STATE OF NEW MEXICO, I-SEC. NO. 757



This agreement, entered into as of the 21st day of April, 1949, by and between the parties subscribing, ratifying, or consenting hereto, and herein referred to as the "parties hereto,"

WITNESSETH:

Whereas the parties hereto are the owners of working, royalty, or other oil or gas interests in the unit area subject to this agreement; and

Whereas the act of February 25, 1920, 41 Stat. 437, 30 U. S. C. secs. 181, et. seq., as amended by the act of August 8, 1946, 60 Stat. 950, authorizes Federal lessees and their representatives to unite with each other, or jointly or separately with others, in collectively adopting and operating under a cooperative or unit plan of development or operation of any oil or gas pool, field, or like area, or any part thereof, for the purpose of more properly conserving the natural resources thereof whenever determined and certified by the Secretary of the Interior to be necessary or advisable in the public interest; and

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by an Act of the Legislature (Chap. 88, Laws 1943) to consent to or approve this agreement on behalf of the State of New Mexico, insofar as it covers and includes lands and mineral interests of the State of New Mexico; and

WHEREAS, the Oil Conservation Commission of the State of New Mexico is authorized by an Act of the Legislature (Chap. 72, Laws 1935) to approve this agreement and the conservation provisions hereof; and

CONTRACT NO. 6805

WHEREAS the parties hereto hold sufficient interests in the Diamond Mound Unit Area to give reasonably effective control of operations therein; and

WHEREAS it is the purpose of the parties hereto to conserve natural resources, prevent waste, and secure other benefits obtainable through development and operation of the area subject to this agreement under the terms, conditions, and limitations herein set forth;

NOW, THEREFORE, in consideration of the premises and the promises herein contained, the parties hereto commit to this agreement their respective interests in the unit area and agree severally among themselves as follows:

ENABLING ACT AND REGULATIONS

1. The act of February 25, 1920, as amended, supra, and all valid pertinent regulations, including operating and unit plan regulations, heretofore issued thereunder or valid pertinent and reasonable regulations hereafter issued thereunder are accepted and made a part of this agreement and as to non-Federal land applicable State laws are accepted and made part of this agreement.

UNIT AREA

2. The following-described land is hereby designated and recognized as constituting the unit area:

New Mexico Principal Meridian

T. 15 S., R. 26 E., sec. 24, SE $\frac{1}{4}$
sec. 25, all
sec. 26, SE $\frac{1}{4}$
sec. 35, E $\frac{1}{2}$
sec. 36, all
T. 15 S., R. 27 E., sec. 19, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$
sec. 20, S $\frac{1}{2}$
secs. 29, 30, and 31, all
sec. 32, all
sec. 33, W $\frac{1}{2}$ W $\frac{1}{2}$
T. 16 S., R. 27 E., secs. 1 to 34 inclusive
sec. 35, NW $\frac{1}{4}$ NW $\frac{1}{4}$

Total unit area 28,592.85 acres, more or less. 1'

Exhibit A attached hereto is a map showing the unit area and the known ownership of all land and leases in said area. Exhibit B attached hereto is a schedule showing the percentage and kind of ownership of oil and gas interests in all land in the unit area. Exhibits A and B shall be revised by the Unit Operator whenever changes in the Unit Area or other changes render such revision necessary, and not less than six copies of the revised exhibits shall be filed with the Oil and Gas Supervisor.

The above-described unit area shall be expanded or contracted, whenever such action is necessary or desirable to conform with the purposes of this agreement, in the following manner:

(a) Unit Operator, on its own motion or on demand of the Director of the U. S. Geological Survey, hereinafter referred to as Director, or on demand of the Commissioner of Public Lands of the State of New Mexico, hereinafter referred to as Commissioner, shall prepare a notice of proposed expansion or contraction describing the contemplated changes in the boundaries of the unit area, the reasons therefor, and the proposed effective date thereof.

(b) Said notice shall be delivered to the Oil and Gas Supervisor, hereinafter referred to as Supervisor, and Commissioner, and copies thereof mailed to the last known address of each working interest owner, lessee, and lessor whose interests are affected, advising that 30 days will be allowed for submission to the Unit Operator of any objections.

(c) Upon expiration of the 30-day period provided in the preceding item (b) hereof, Unit Operator shall file with the Supervisor and Commissioner evidence of mailing of the notice of expansion or contraction and a copy of any objections thereto which have been filed with the Unit Opera-

(d) After due consideration of all pertinent information, the expansion or contraction shall, upon approval by the Director and Commissioner, become effective as of the date prescribed in the notice thereof.

All land committed to this agreement shall constitute land referred to herein as "unitized land" or "land subject to this agreement."

UNITIZED SUBSTANCES

3. All oil, gas, natural gasoline, and associated fluid hydrocarbons in any and all formations of the unitized land are unitized under the terms of this agreement and herein are called "unitized substances."

UNIT OPERATOR

4. Continental Oil Company, a corporation, with offices at Fort Worth, Texas, is hereby designated as Unit Operator and by signature hereto commits to this agreement all interests in unitized substances vested in it as set forth in Exhibit B, and agrees and consents to accept the duties and obligations of Unit Operator for the discovery, development, and production of unitized substances as herein provided. Whenever reference is made herein to the Unit Operator, such reference means the Unit Operator acting in that capacity and not as an owner of interests in unitized substances.

The Unit Operator may resign as Unit Operator whenever not in default under this agreement, but no Unit Operator shall be relieved from the duties and obligations of Unit Operator for a period of 6 months after he or it has served notice of intention to resign on all owners of working interests subject hereto and the Director and Commissioner, unless a new Unit Operator shall have been selected and approved and shall have assumed the duties and obligations of Unit Operator prior to the expiration of said 6-month period. Unless a successor Unit Operator is selected, approved, and

assumes the duties and obligations of Unit Operator prior to the effective date of the retiring Unit Operator's relinquishment of duties, the retiring Unit Operator must place all wells drilled hereunder in a satisfactory condition for suspension or abandonment as may be required by the Supervisor on Federal lands and the Oil Conservation Commission of the State of New Mexico, hereinafter referred to as the Commission on State lands under applicable Federal and State oil and gas operating regulations. Upon default or failure in the performance of its duties or obligations under this agreement the Unit Operator may be removed by a majority vote of owners of working interests determined in like manner as herein provided for the selection of a successor Unit Operator. Prior to the effective date of relinquishment by or within 6 months after removal of Unit Operator, the duly qualified successor Unit Operator shall have an option to purchase on reasonable terms all or any part of the equipment, material, and appurtenances in or upon the land subject to this agreement, owned by the retiring Unit Operator and used in its capacity as such operator, or if no qualified successor operator has been designated, the working interest owners may purchase such equipment, material, and appurtenances. At any time within the next ensuing 3 months any equipment, material, and appurtenances not purchased and not necessary for the preservation of wells may be removed by the retiring Unit Operator, but if not removed shall become the joint property of the owners of unitized working interests in the participating area or, if no participating area has been established, in the entire unit area. The termination of the rights as Unit Operator under this agreement shall not terminate the right, title, or interest of such Unit Operator in its separate capacity as owner of interests in unitized substances.

SUCCESSOR UNIT OPERATOR

5. Whenever the Unit Operator shall relinquish the right as Unit Operator or shall be removed, the owners

of the unitized working interests in the participating area on an acreage basis, or in the unit area on an acreage basis until a participating area shall have been established, shall select a new Unit Operator. A majority vote of the working interests qualified to vote shall be required to select a new Unit Operator; PROVIDED, That, if a majority but less than 75 percent of the working interests qualified to vote are owned by one party to this agreement, a concurring vote of at least one additional working interest owner shall be required to select a new Operator. Such selection shall not become effective until (a) a Unit Operator so selected shall accept in writing the duties and responsibilities of Unit Operator, and (b) the selection shall have been approved by the Director and Commissioner. If no successor Unit Operator is selected and qualified as herein provided, the Director and Commissioner at their election may declare this unit agreement terminated.

UNIT ACCOUNTING AGREEMENT

6. If the Unit Operator is not the sole owner of working interests, all costs and expenses incurred in conducting unit operations hereunder and the working interest benefits accruing hereunder shall be apportioned among the owners of unitized working interests in accordance with a unit accounting agreement by and between the Unit Operator and the other owners of such interests, whether one or more, separately or collectively. Any agreement or agreements entered into between the working interest owners and the Unit Operator as provided in this section, whether one or more, are herein referred to as the "unit accounting agreement." No such agreement shall be deemed either to modify any of the terms and conditions of this unit agreement or to relieve the Unit Operator of any right or obligation established under this unit agreement, and in case of any incon-

sistency or conflict between this unit agreement and the unit accounting agreement this unit agreement shall prevail. Three true copies of any unit accounting agreement executed pursuant to this section shall be filed with the Supervisor.

RIGHTS AND OBLIGATIONS OF UNIT OPERATOR

7. Except as otherwise specifically provided herein, the exclusive right, privilege, and duty of exercising any and all rights of the parties hereto which are necessary or convenient for prospecting for, producing, storing, and delivering of the unitized substances are hereby delegated to and shall be exercised by the Unit Operator as herein provided; but notwithstanding anything contained in this agreement to the contrary, all working interest owners of unitized lands hereby reserve the right to take their proportionate shares of the unitized substances in kind or to provide for the sale of their respective interests therein for their individual accounts, as such unitized substances are allocated to the respective working interest owners in accordance with the provisions of this agreement. Acceptable evidence of title to said rights shall be deposited with said Unit Operator and, together with this agreement, shall constitute and define the rights, privileges, and obligations of Unit Operator. Nothing herein, however, shall be construed to transfer title to any land or to any lease or operating agreement, it being understood that under this agreement the Unit Operator, in its capacity as Unit Operator, shall exercise the rights of possession and use vested in the parties hereto only for the purposes herein specified.

The Unit Operator shall pay all costs and expenses of operation with respect to the unitized land. If and when the Unit Operator is not the sole owner of all working interests, such costs shall be charged to the account of the owner or owners of working interests, and the Unit Operator

shall be reimbursed therefor by such owners and shall account to the working interest owners for their respective shares of the revenue and benefits derived from operations hereunder, all in the manner and to the extent provided in the unit accounting agreement. The Unit Operator shall render each month to the owners of unitized interests entitled thereto an accounting of the operations on unitized land during the previous calendar month, and shall pay in value or deliver in kind to each party entitled thereto a proportionate and allocated share of the benefits accruing hereunder in conformity with operating agreements, leases, or other independent contracts between the Unit Operator and the parties hereto either collectively or individually.

The development and operation of land subject to this agreement under the terms hereof shall be deemed full performance by the Unit Operator of all obligations for such development and operation with respect to each and every part or separately owned tract of land subject to this agreement, regardless of whether there is any development of any particular part or tract of the unit area, notwithstanding anything to the contrary in any lease, operating agreement, or other contract by and between the parties hereto or any of them.

DRILLING TO DISCOVERY

8. Within 6 months after the effective date hereof, the Unit Operator shall begin to drill an adequate test well at a location to be approved by the Supervisor, if such location is upon lands of the United States, and if upon State lands or patented lands, such location shall be approved by the Commission, unless on such effective date a well is being drilled conformably with the terms hereof, and thereafter continue such drilling diligently until a well not less than 10,000 feet in depth has been drilled, unless at

a lesser depth unitized substances shall be discovered which can be produced in paying quantities or the Unit Operator shall at any time establish to the satisfaction of the Supervisor as to wells on Federal land, or the Commission as to wells on State land or patented land, that further drilling of said well would not be warranted. If the first or any subsequent test well fails to result in the discovery of a deposit of unitized substances capable of being produced in paying quantities, the Unit Operator shall continue drilling diligently one well at a time, allowing not more than 6 months between the completion of one well and the beginning of the next well, until a well capable of producing unitized substances in paying quantities is completed to the satisfaction of said Supervisor if on Federal land or the Commissioner if on State land or patented land, or until it is reasonably proved that the unitized land is incapable of producing unitized substances in paying quantities. Nothing in this section shall be deemed to limit the right of the Unit Operator to resign, as provided in Section 4 hereof, after any well drilled under this section is placed in a satisfactory condition for suspension or is plugged and abandoned pursuant to applicable regulations. The Director, and the Commissioner may modify the drilling requirements of this section by granting reasonable extensions of time when, in their opinion, such action is warranted. Upon failure to comply with the drilling provisions of this section, the Director and Commissioner may, after reasonable notice to the Unit Operator and each working interest owner, lessee, and lessor at their last known addresses, declare this unit agreement terminated.

PLAN OF FURTHER DEVELOPMENT AND OPERATION

9. Within 6 months after completion of a well capable of producing unitized substances in paying quantities.

the Unit Operator shall submit for the approval of the Supervisor, the Commissioner, and the Commission, an acceptable plan of development and operation for the unitized land which, when approved by the Supervisor, the Commissioner, and Commission, shall constitute the further drilling and operating obligations of the Unit Operator under this agreement for the period specified therein. Thereafter, from time to time before the expiration of any existing plan, the Unit Operator shall submit for the approval of the Supervisor, the Commissioner, and the Commission, a plan for an additional specified period for the development and operation of the unitized land. Any plan submitted pursuant to this section shall provide for exploration of the unitized area and for the determination of the commercially productive area thereof in each and every productive formation and shall be as complete and adequate as the Supervisor, the Commissioner, and the Commission may determine to be necessary for timely development and proper conservation of the oil and gas resources of the unitized area and shall (a) specify the number and locations of any wells to be drilled and the proposed order and time for such drilling; and (b) to the extent practicable specify the operating practices regarded as necessary and advisable for proper conservation of natural resources. Separate plans may be submitted for separate productive zones, subject to the approval of the Supervisor, Commissioner, and the Commission. Said plan or plans shall be modified or supplemented when necessary to meet changed conditions or to protect the interests of all parties to this agreement. Reasonable diligence shall be exercised in complying with the obligations of the approved plan of development. The Supervisor and Commissioner are authorized to grant a reasonable extension of the 6-month period herein prescribed for submission of an initial plan of

development where such action is justified because of unusual conditions or circumstances. All parties hereto agree that after completion of one commercially productive well no further wells, except such as may be necessary to afford protection against operations not under this agreement, or such as may be specifically approved by the Supervisor, the Commissioner, and the Commission, shall be drilled except in accordance with a plan of development approved as herein provided.

PARTICIPATION AFTER DISCOVERY

10. Upon completion of a well capable of producing unitized substances in paying quantities or as soon thereafter as required by the Supervisor or the Commissioner, the Unit Operator shall submit for approval by the Director, the Commissioner, and the Commission a schedule, based on subdivision of the public land survey or aliquot parts thereof, of all unitized land then regarded as reasonably proved to be productive of unitized substances in paying quantities; all land in said schedule on approval of the Director, the Commissioner and the Commission to constitute a participating area, effective as of the date of first production. Said schedule shall also set forth the percentage of unitized substances to be allocated as herein provided to each unitized tract in the participating area so established, and shall govern the allocation of production from and after the date the participating area becomes effective. A separate participating area shall be established in like manner for each separate pool or deposit of unitized substances or for any group thereof produced as a single pool or zone. The participating area or areas so established shall be revised from time to time, subject to like approval, whenever such action appears proper as a result of further drilling operations or otherwise, to include additional land then regarded as reasonably

proved to be productive in paying quantities, and the percentage of allocation shall also be revised accordingly. The effective date of any revision shall be the first of the month following the date of first authentic knowledge or information on which such revision is predicated, unless a more appropriate effective date is specified in the schedule. No land shall be excluded from a participating area on account of depletion of the unitized substances.

It is the intent of this section that a participating area shall represent the area known or reasonably estimated to be productive in paying quantities; but, regardless of any revision of the participating area, nothing herein contained shall be construed as requiring any retroactive apportionment of any sums accrued or paid for production obtained prior to the effective date of revision of the participating area.

In the absence of agreement at any time between the Unit Operator, the Director, the Commissioner, and the Commission as to the proper definition or redefinition of a participating area, or until a participating area has, or areas have, been established as provided herein, the portion of all payments affected thereby may be impounded in a manner mutually acceptable to the owners of working interests, except royalties due the United States and the State of New Mexico, which shall be determined by the Supervisor and the Commissioner and the amount thereof deposited with the District Land Office of the Bureau of Land Management, or as directed by the Supervisor, and with the Commissioner of Public Lands, respectively, to be held as unearned money until the participating area is finally approved and then applied as earned or returned in accordance with a determination of the sum due as Federal and State royalty on the basis of such approved participating area

Whenever it is determined, subject to the approval of the Supervisor as to wells on Federal land and the Commissioner as to wells on State land, and the Commission as to patented land, that a well drilled under this agreement is not capable of production in paying quantities and inclusion of the land on which it is situated in a participating area is unwarranted, production from such well shall be allocated to the land on which the well is located so long as that well is not within a participating area established for the pool or deposit from which such production is obtained.

ALLOCATION OF PRODUCTION

11. All unitized substances produced from each participating area established under this agreement, except any part thereof used for production or development purposes hereunder, or unavoidably lost, shall be deemed to be produced equally on an acreage basis from the several tracts of unitized land of the participating area established for such production and, for the purpose of determining any benefits that accrue on an acreage basis, each such tract shall have allocated to it such percentage of said production as its area bears to the said participating area. It is hereby agreed that production of unitized substances from a participating area shall be allocated as provided herein regardless of whether any wells are drilled on any particular part or tract of said participating area.

DEVELOPMENT OR OPERATION ON NON-PARTICIPATING LAND

12. Any party hereto, other than the Unit Operator, owning or controlling a majority of the working interests in any unitized land not included in a participating area and having thereon a regular well location in accordance with a well-spacing pattern established under an approved plan of development and operation may drill a well at such location

at his own expense, unless within 90 days of receipt of notice from said party of his intention to drill the well the Unit Operator elects and commences to drill such well in like manner as other wells are drilled by the Unit Operator under this agreement.

If such well is not drilled by the Unit Operator and results in production such that the land upon which it is situated may properly be included in a participating area, the party paying the cost of drilling such well shall be reimbursed as provided in the unit accounting agreement for the cost of drilling similar wells in the unit area, and the well shall be operated pursuant to the terms of this agreement as though the well had been drilled by the Unit Operator.

If any well drilled by the Unit Operator or by an owner of working interests, as provided in this section, obtains production insufficient to justify inclusion of the land on which said well is situated in a participating area, said owner of working interests at his election, within 30 days after determination of such insufficiency, shall be wholly responsible for and may operate and produce the well at his sole expense and for his sole benefit. If such well was drilled by the Unit Operator and said owner of working interests elects to operate said well, he shall pay the Unit Operator a fair salvage value for the casing and other necessary equipment left in the well.

Wells drilled or produced at the sole expense and for the sole benefit of an owner of working interest other than the Unit Operator shall be operated pursuant to the terms and provisions of this agreement. Royalties in amount or value of production from any such well shall be paid as specified in the lease affected.

ROYALTIES AND RENTALS

13. The Unit Operator, on behalf of the parties hereto, shall pay in value or deliver in kind, according to

the rights of the parties established by underlying leases or agreements, all royalties due upon production allocated to unitized land and shall pay all rentals or minimum royalties due on unitized land. All such payments or deliveries in kind shall be charged by the Unit Operator to the appropriate working interest owners as provided in the unit accounting agreement. Nothing herein contained shall operate to relieve the lessees of Federal or State land from their obligations under the terms of their respective leases to pay rentals and royalties.

Royalty due the United States shall be computed as provided in the operating regulations and paid in value or delivered in kind as to all unitized substances on the basis of the amounts thereof allocated to unitized Federal land as provided herein at the rates specified in the respective Federal leases, or at such lower rate or rates as may be authorized by law or regulation: PROVIDED, That for leases on which the royalty rate depends on the daily average production per well, said average production shall be determined in accordance with the operating regulations as though each participating area were a single consolidated lease.

Rental or minimum royalty for land of the United States subject to this agreement shall be paid at the rates specified in the respective Federal leases, or such rental or minimum royalty may be waived, suspended, or reduced to the extent authorized by law and applicable regulations.

CONSERVATION

14. Operations hereunder and production of unitized substances shall be conducted to provide for the most economical and efficient recovery of said substances, to the end that the maximum efficient yield may be obtained without waste, as defined by or pursuant to State or Federal law or regulation; and production of unitized substances shall be

limited to such production as can be put to beneficial use with adequate realization of fuel and other values.

DRAINAGE

15. The Unit Operator shall take appropriate and adequate measures to prevent drainage of unitized substances from unitized land by wells on land not subject to this agreement, or pursuant to applicable regulations pay a fair and reasonable compensatory royalty as determined by the Supervisor for Federal land or as approved by the Commissioner as to State land.

LEASES AND CONTRACTS CONFORMED TO AGREEMENT

16. The parties hereto holding interests in leases embracing unitized land of the United States or of the State of New Mexico consent that the Director and Commissioner, respectively, may, and said Director and Commissioner, by their approval of this agreement do hereby establish, alter, change or revoke the drilling, producing, rental, minimum royalty, and royalty requirements of such leases and the regulations in respect thereto, to conform said requirements to the provisions of this agreement, but otherwise the terms and conditions of said leases shall remain in full force and effect.

Said parties further consent and agree, and the Director and Commissioner by their approval hereof determine, that during the effective life of this agreement, drilling and producing operations performed by the Unit Operator upon any unitized land will be accepted and deemed to be operations under and for the benefit of all unitized leases embracing land of the United States and the State of New Mexico; and that no such lease shall be deemed to expire by reason of failure to produce wells situated on land therein

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embraced. Any Federal lease for a term of 20 years or any renewal thereof or any part of such lease which is made subject to this agreement shall continue in force until the termination hereof. Any other Federal lease or state lease committed hereto shall continue in force as to the committed land so long as the lease remains committed hereto, provided a valuable deposit of unitized substances is discovered prior to the expiration date of the primary term of such lease. Authorized suspension of all operations and production on the unitized land shall be deemed to constitute authorized suspension with respect to each unitized lease.

Each of the parties hereto holding any unitized interest, including royalty and working interest, in, to and under an oil and gas lease of privately owned land subject to this agreement hereby agrees that such lease is hereby modified, as between such of the parties hereto as are interested therein, effective as of the effective date of this agreement, to the extent necessary that (1) such lease shall remain in full force and effect for the primary term therein stated, subject only to the payment of any and all delay rentals and the compliance with any other requirements therein provided, and for so long thereafter as one or more of the substances so leased is producible from lands embraced by such lease in quantities sufficient to justify the cost of production, and (2) in the event any of the land embraced by such lease is before expiration or termination thereof included within a participating area, or extension thereof, effective pursuant to this agreement, so that the holders of such interests become entitled to share in the production, or proceeds from sale thereof, from such participating area, payable at the rate or rates provided in such lease on the production allocated hereunder to the land so included,

then the term of such lease is extended (free of subsequently accruing delay rentals, if any) as to all the land embraced by it, for and during the entire term of this agreement.

COVENANTS RUN WITH LAND

17. The covenants herein shall be construed to be covenants running with the land with respect to the interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer, or conveyance of interest in land or leases subject hereto shall be and hereby is conditioned upon the assumption of all privileges and obligations hereunder by the grantee, transferee, or other successor in interest, and as to State land shall be subject to approval by the Commissioner.

EFFECTIVE DATE AND TERM

18. This agreement shall become effective upon approval by the Commissioner and Director and shall terminate in 5 years after said date, unless (a) such date of expiration is extended by the Director and Commissioner, or (b) it is reasonably determined prior to the expiration of the fixed term or any extension thereof that the unitized land is incapable of production of unitized substances in paying quantities and after notice of intention to terminate the agreement on such ground is given by the Unit Operator to all parties in interest at their last known addresses, the agreement is terminated with the approval of the Director and the Commissioner, or (c) a valuable discovery of unitized substances has been made on unitized land during said initial term or any extension thereof, in which case the agreement shall remain in effect so long as unitized substances can be produced from the unitized land in paying quantities; or (d) it is terminated as provided in

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section 5 or section 8 hereof. This agreement may be terminated at any time by not less than 75 percentum, on an acreage basis, of the owners of working interests signatory hereto with the approval of the Director and the Commissioner.

RATE OF PROSPECTING, DEVELOPMENT, AND PRODUCTION

19. All production and the disposal thereof shall be in conformity with allocations, allotments, and quotas made or fixed by any duly authorized person or regulatory body under any Federal or State statute. The Director is hereby vested with authority to alter or modify from time to time, in his discretion, the rate of prospecting and development and within the limits made or fixed by the Commission to alter or modify the quantity and rate of production under this agreement, such authority being hereby limited to alteration or modification in the public interest, the purpose thereof and the public interest to be served thereby to be stated in the order of alteration or modification; provided further that no such alteration or modification shall be effective as to any land of the State of New Mexico as to the rate of prospecting and development in the absence of the specific written approval thereof by the Commissioner and as to any lands of the State of New Mexico or privately-owned lands subject to this agreement as to the quantity and rate of production in the absence of specific written approval thereof by the Commission.

CONFLICT OF SUPERVISION

20. Neither the Unit Operator nor the working interest owners nor any of them shall be subject to any forfeiture, termination, or expiration of any rights hereunder or under any leases or contracts subject hereto, or to any penalty or liability on account of delay or failure in whole or in part to comply with any applicable provision thereof to

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the extent that the said Unit Operator, working interest owners or any of them are hindered, delayed, or prevented from complying therewith by reason of failure of the Unit Operator to obtain, in the exercise of due diligence, the concurrence of proper representatives of the United States and proper representatives of the State of New Mexico in and about any matters or thing concerning which it is required herein that such concurrence be obtained. The parties hereto, including the Commission, agree that all powers and authority vested in the Commission in and by any provisions of this contract are vested in the Commission and shall be exercised by it pursuant to the provisions of the laws of the State of New Mexico and subject in any case to appeal or judicial review as may now or hereafter be provided by the laws of the State of New Mexico.

UNAVOIDABLE DELAY

21. All obligations under this agreement requiring the Unit Operator to commence or continue drilling or to operate on or produce unitized substances from any of the lands covered by this agreement shall be suspended while, but only so long as, the Unit Operator despite the exercise of due care and diligence, is prevented from complying with such obligations, in whole or in part, by strikes, lockouts, acts of God, Federal, State, or municipal laws or agencies, unavoidable accidents, uncontrollable delays in transportation, inability to obtain necessary materials in open market, or other matters beyond the reasonable control of the Unit Operator whether similar to matters herein enumerated or not.

COUNTERPARTS

22. This agreement may be executed in any number of counterparts with the same force and effect as if all parties had signed the same document, or this agreement may be ratified with like force and effect by a separate instru-

ment in writing specifically referring hereto. Any separate counterpart, consent, or ratification duly executed after approval hereof by the Director and the Commissioner shall be effective on the first day of the month next following the filing thereof with the Supervisor and the Commissioner, unless objection thereto is made by the Director or Commissioner and notice of such objection is served upon the appropriate parties within 60 days after such filing.

FAIR EMPLOYMENT

23. The Unit Operator shall not discriminate against any employee or applicant for employment because of race, creed, color, or national origin, and an identical provision shall be incorporated in all subcontracts.

LOSS OF TITLE

24. In the event title to any tract of unitized land or substantial interest therein shall fail and the true owner cannot be induced to join this unit agreement, so that such tract is not committed to this unit agreement, there shall be such readjustment of participation as may be required on account of such failure of title. In the event of a dispute as to title or as to any interest in unitized land, the Unit Operator may withhold payment or delivery on account thereof without liability for interest until the dispute is finally settled; PROVIDED: That as to Federal and State land or leases, no payments of funds due the United States or the State of New Mexico shall be withheld but such funds shall be deposited with the District Land Office of the Bureau of Land Management, or as directed by the Supervisor, and with the Commissioner of Public Lands of the State of New Mexico, respectively, to be held as unearned money pending final settlement of the title dispute and then applied as earned or returned in accordance with such final settlement.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed and have set opposite

-1-

their respective names and the date of execution.



ATTEST:

DATE

CONTINENTAL OIL COMPANY

[Signature]
Assistant Secretary

3-13-50

By *[Signature]*
Vice President

DATE

MAGNOLIA PETROLEUM COMPANY

Secretary

By _____
President

ATTEST:

DATE

SINCLAIR OIL & GAS COMPANY
~~ATTEST:~~

Secretary

By _____
President

ATTEST:

DATE

MALCO REFINERIES, INC.

Secretary

By _____
President

ATTEST:

DATE

LEONARD OIL COMPANY

Secretary

By _____
President

ATTEST:

DATE

MID-WEST INVESTMENT COMPANY

Secretary

By _____
President

ATTEST:

DATE

DEKALE AGRICULTURAL ASSOC-
IATION

Secretary

By _____
President

DATE

Kate M. Carnagey, and her husband,
Route 2, Box 85
Pattonsburg, Missouri

Carnagey

DATE

E. A. Mabes, and his wife,
Artesia, New Mexico

Mabes

DATE

Ralph Nix and his wife,
Artesia, New Mexico

Nix

Description of Working Interest of:

W. P. Thurmon

(Subject to option rights of
Continental Oil Company)
L.C. 062620 dated July 1, 1948,
issued to W. P. Thurmon, covering
T-16S-27E

Sec. 11: All
Sec. 12: NE $\frac{1}{4}$ & N $\frac{1}{2}$ NW $\frac{1}{4}$ T₂₁
Sec. 13: E $\frac{1}{4}$
Sec. 14: All
Sec. 15: N $\frac{1}{2}$ & SE $\frac{1}{4}$ & E $\frac{1}{2}$ SW $\frac{1}{4}$
2,400.00 acres, more or less.

W. P. Thurmon
W. P. Thurmon
Flossie Thurmon
Flossie Thurmon (wife)

Description of Working Interest of:

Myrtle McClure

(Subject to option rights of
Continental Oil Company)
L.C. 062604 dated October 1, 1948,
issued to Myrtle McClure, covering
T-15S-27E

Sec. 29: N $\frac{1}{2}$ SE $\frac{1}{4}$ & SW $\frac{1}{2}$ SE $\frac{1}{4}$ & N $\frac{1}{2}$ SW $\frac{1}{4}$
Sec. 30: N $\frac{1}{2}$ SW $\frac{1}{4}$ & SE $\frac{1}{2}$ SW $\frac{1}{4}$ & SE $\frac{1}{4}$
Sec. 31: E $\frac{1}{2}$ E $\frac{1}{2}$ & NW $\frac{1}{2}$ NE $\frac{1}{4}$ & SW $\frac{1}{2}$ SE $\frac{1}{4}$
Sec. 32: SE $\frac{1}{2}$ NW $\frac{1}{4}$ & E $\frac{1}{2}$ SW $\frac{1}{4}$ & SW $\frac{1}{2}$ SE $\frac{1}{4}$
T-16S-27E

Sec. 1 : Lots 1 to 16 inc., and
S $\frac{1}{2}$

Sec. 2 : Lots 2,3,6,7,12,13, &
W $\frac{1}{2}$ SW $\frac{1}{4}$

Sec. 3 : Lots 1,8,9,10,15,16, &
SE $\frac{1}{4}$

2,396.56 acres, more or less

T₂₊₃
Myrtle McClure
Myrtle McClure
J. H. McClure
J. H. McClure (husband)

Description of Working Interest of:

J. H. McClure

(Subject to option rights of
Continental Oil Company)
L.C. 062605 dated September 1, 1948,
issued to J.H. McClure, covering
T-15S-27E

Sec. 8 : SE $\frac{1}{2}$ SE $\frac{1}{4}$
Sec. 17: E $\frac{1}{2}$ & NE $\frac{1}{2}$ SW $\frac{1}{4}$ & S $\frac{1}{2}$ SW $\frac{1}{4}$
Sec. 18: S $\frac{1}{2}$ SE $\frac{1}{4}$
Sec. 19: Lots 2,3,4, & SE $\frac{1}{2}$ NW $\frac{1}{4}$ &
E $\frac{1}{2}$ SW $\frac{1}{4}$ & E $\frac{1}{2}$

Sec. 20: All

Sec. 29: N $\frac{1}{2}$

Sec. 30: Lots 1,2, & E $\frac{1}{2}$ NW $\frac{1}{4}$ & NE $\frac{1}{4}$
2,399.30 acres, more or less

T₄₊₅

J. H. McClure
J. H. McClure
Myrtle McClure
Myrtle McClure (wife)

Description of Working Interest of:

Gertrude W. Duffield

(Subject to option rights of
Continental Oil Company)
L.C. 062618 dated July 1, 1948,
issued to Gertrude W. Duffield,
covering
T-16S-27E

Sec. 15: W $\frac{1}{2}$ SW $\frac{1}{4}$

Sec. 21: All

Sec. 22: All

Sec. 23: All

Sec. 24: N $\frac{1}{2}$ & SW $\frac{1}{4}$

2,480.00 acres, more or less

T₆₊₇

Gertrude W. Duffield
Gertrude W. Duffield
R. F. Duffield
R. F. Duffield (husband)

Description of Working Interest of:

Nelle Duffield

(Subject to option rights of
Continental Oil Company)
L.C. 062619 dated October 1, 1948,
issued to Nelle Duffield, covering
T-16S-27E
Sec. 28: All
Sec. 29: All
Sec. 30: All
Sec. 31: E $\frac{1}{2}$ & E $\frac{1}{2}$ NW $\frac{1}{4}$
Sec. 33: NW $\frac{1}{4}$
2,477.20 acres, more or less

Nelle Duffield
Nelle Duffield (a single
woman)

Description of Working Interest of:

Josephine Nolen

(Subject to option rights of
Continental Oil Company)
L.C. 062602, dated July 1, 1947,
issued to Josephine Nolen, covering
T-16S-27E
Sec. 8 : E $\frac{1}{2}$ NW $\frac{1}{4}$
Sec. 9 : All
Sec. 10: S $\frac{1}{2}$ & NW $\frac{1}{4}$
Sec. 17: All
Sec. 18: Lot 4 & SE $\frac{1}{4}$ SW $\frac{1}{4}$ & E $\frac{1}{2}$
Sec. 19: E $\frac{1}{2}$ E $\frac{1}{2}$
Sec. 20: W $\frac{1}{2}$ NW $\frac{1}{4}$
2,478.10 acres, more or less

Josephine Nolen
Josephine Nolen (a single
woman)

Description of Working Interest of:

Tom Nolen

(Subject to option rights of
Continental Oil Company)
L.C. 062603 dated May 1, 1947,
issued to Tom Nolen, covering
T-16S-27E
Sec. 3 : Lots 2,3,4,5,6,7,11,12,13,
14 & SW $\frac{1}{4}$
Sec. 4 : All
Sec. 5 : Lots 3,4,5,12,13
Sec. 6 : Lots 1 to 18 inc., & E $\frac{1}{2}$ SW $\frac{1}{4}$
& W $\frac{1}{2}$ SE $\frac{1}{4}$
Sec. 7 : E $\frac{1}{2}$ NE $\frac{1}{4}$
Sec. 8 : W $\frac{1}{2}$ NW $\frac{1}{4}$
2,479.35 acres, more or less

Tom Nolen
Tom Nolen (a single man)

Description of Working Interest of:

E. S. Hitchcock

(Subject to option rights of
Continental Oil Company)
L.C. 062623 dated September 1, 1948,
issued to E.S. Hitchcock, covering
T-16S-27E
Sec. 24: W $\frac{1}{2}$ SE $\frac{1}{4}$
Sec. 25: N $\frac{1}{2}$ NW $\frac{1}{4}$ & SW $\frac{1}{4}$ NW $\frac{1}{4}$ & SE $\frac{1}{4}$ & SE $\frac{1}{4}$ SW $\frac{1}{4}$
Sec. 26: N $\frac{1}{2}$ & SW $\frac{1}{4}$ & W $\frac{1}{2}$ SE $\frac{1}{4}$ & NE $\frac{1}{4}$ SE $\frac{1}{4}$
Sec. 27: All
Sec. 33: NE $\frac{1}{4}$ & N $\frac{1}{2}$ SW $\frac{1}{4}$
Sec. 34: NW $\frac{1}{4}$ & N $\frac{1}{2}$ NE $\frac{1}{4}$
Sec. 35: NW $\frac{1}{4}$ NW $\frac{1}{4}$ & SE $\frac{1}{4}$
2,320.00 acres, more or less

E. S. Hitchcock
E. S. Hitchcock
Marjorie K. Hitchcock
Marjorie K. Hitchcock

Description of Working Interest of:

Marjorie K. Hitchcock
(Subject to option rights of
Continental Oil Company)
L.C. 062617 dated July 1, 1947,
issued to Marjorie K. Hitchcock,
covering
T-16S-27E
Sec. 7: Lots 1,2,3,4, & E $\frac{1}{2}$ W $\frac{1}{2}$ & SE $\frac{1}{4}$
& W $\frac{1}{2}$ NE $\frac{1}{4}$
Sec.18: Lots 1,2,3, & E $\frac{1}{2}$ NW $\frac{1}{4}$ & NE $\frac{1}{4}$ S $\frac{1}{2}$
Sec.19: Lots 1,2,3,4, & E $\frac{1}{2}$ W $\frac{1}{2}$ & W $\frac{1}{2}$ E $\frac{1}{2}$
Sec.20: S $\frac{1}{2}$ & NE $\frac{1}{4}$ & E $\frac{1}{2}$ NW $\frac{1}{4}$
1,824.30 acres, more or less

Marjorie K. Hitchcock
Marjorie K. Hitchcock
E.S. Hitchcock
E.S. Hitchcock (husband)

Description of Working Interest of:

W. A. Rounds
(Subject to option rights of
Continental Oil Company)
L.C. 069480 dated July 1, 1949,
issued to W.A. Rounds, covering
T-16S-27E
Sec. 12: S $\frac{1}{2}$ & S $\frac{1}{2}$ NW $\frac{1}{4}$
Sec. 13: W $\frac{1}{2}$
720.00 acres, more or less

W. A. Rounds
W. A. Rounds

Marie Scott Rounds
Marie Scott Rounds (wife)

Description of Working Interest of:

H. E. Rennels
(Subject to option rights of
Continental Oil Company)
N.M. 0187 dated January 1, 1950,
issued to H.E. Rennels in so far as
it covers
T-15S-26E
Sec. 24: NE $\frac{1}{4}$ SE $\frac{1}{4}$ & S $\frac{1}{2}$ SE $\frac{1}{4}$
Sec. 25: NE $\frac{1}{4}$ & N $\frac{1}{2}$ SE $\frac{1}{4}$ & SW $\frac{1}{4}$ SE $\frac{1}{4}$ & SW $\frac{1}{4}$
Sec. 26: S $\frac{1}{2}$ SE $\frac{1}{4}$
Sec. 35: NE $\frac{1}{4}$ & E $\frac{1}{2}$ SE $\frac{1}{4}$
880.00 acres, more or less

H.E. Rennels
H. E. Rennels

Nellie Mae Rennels
Nellie Mae Rennels (wife)

Description of Working Interest of:

Eunice Gibson
App'n L.C. 062725 filed February 29,
1944, by Eunice Gibson, in so far as
it covers
T-15S-26E
Sec. 25: S $\frac{1}{2}$ NW $\frac{1}{4}$
80 acres, more or less

Eunice Gibson
Gibson (husband)
3002 21st Street
Lubbock, Texas

Description of Working Interest of:

G. W. Bright
App'n L.C. 064736 filed May 22,
1946 by G.W. Bright in so far as it
covers
T-15S-27E
Sec. 29: SE $\frac{1}{4}$ SE $\frac{1}{4}$
40 acres, more or less

G. W. Bright
G. W. Bright
Nancy C. Bright
(Bright (wife))
203 N. Main Street
Las Cruces, New Mexico

Description of Working Interest of:

Helen E. Mapes
(Subject to option rights of
Continental Oil Company)
App'n L.C. 062201 filed November 26,
1943, by Helen E. Mapes, in so far
as it covers
T-15S-27E
Sec. 33: W $\frac{1}{2}$ W $\frac{1}{2}$
160 acres, more or less

Helen E. Mapes
Helen E. Mapes

M. A. Mapes, Jr.
Mapes (husband)
1009 W. Missouri Street
Artesia, New Mexico

Description of Working Interest of:

aff.
John E. Cochran, Jr.
(Subject to option rights of Malco
Refineries, Inc.)
Lease L.C. 069881 dated March 1,
1950, issued to John E. Cochran, Jr.,
in so far as it covers
T-16S-27E
Sec. 33: N $\frac{1}{2}$ SE $\frac{1}{4}$
80 acres, more or less

John E. Cochran, Jr.

Harriett Cochran (wife)
Carper Building
Artesia, New Mexico

Description of Working Interest of:

aff.
Rose F. Wilson
N.M. State B-6961 T-16S-27E
Sec. 32: W $\frac{1}{2}$ SE $\frac{1}{4}$
80 acres, more or less; and my in-
terest in State B-8755 - SE $\frac{1}{4}$ SE $\frac{1}{4}$
32-15S-27E, in the names of R. F.
Wilson and M.E. Higgins.

Rose F. Wilson

Wilson (husband)
810 S. Maple Street
Aledo, Illinois

Description of Working Interest of:

Bertha H. Hawthorne
N.M. State B-10,453 T-16S-27E
Sec. 34: N $\frac{1}{2}$ SE $\frac{1}{4}$
80 acres, more or less

Bertha H. Hawthorne
Bertha H. Hawthorne
Dr. F. A. Hawthorne
Hawthorne (husband)
1820 N. Harvard Blvd.,
Los Angeles 27, Calif.

Description of Working Interest of:

aff.
Ella A. Blake
N.M. State B-10,130 T-15S-26E
Sec. 36: NE $\frac{1}{4}$ SW $\frac{1}{4}$
40 acres, more or less

Ella A. Blake

Blake (husband)
655 6th Street
San Bernardino, Calif.

Description of Working Interest of:

J. M. Thorpe
N.M. State B-9875 T-15S-27E
Sec. 32: NW $\frac{1}{4}$ NE $\frac{1}{4}$
40 acres, more or less

J. M. Thorpe
J. M. Thorpe
Marion J. Thorpe
Thorpe (wife)
Route 2, Box 48
Dwight, Illinois

John Williams

Williams (Wife)
No. 1 Wall Street
New York City, N.Y.

Description of Working Interest of:

S. P. Johnson, Jr. (FREE)
T-108-278
Sec. 5: E1324
80 acres, more or less

S. P. JOHNSON, JR.

JOHNSON (WIFE)
Roswell, New Mexico

Description of Working Interest of:

H. S. Russell & P. H. Clark (FREE)
T-108-278
Sec. 5: E1324
20 acres, more or less

H. S. Russell

Russell (Wife)

P. H. CLARK

CLARK (WIFE)

Description of Working Interest of:

Wm. H. Hall (FREE)
T-108-278
Sec. 5: E1324
40 acres, more or less

WM. H. HALL

HALL (WIFE)
Amarillo, Texas



George Owen Brown

By *George Owen Brown* Jan. 2, 1953
-24C

ILLEGIBLE

DATE

Leon Williams and his wife, _____ Williams
No. 1, Wall Street
New York City, N. Y.

CONSENT

In consideration of the execution of the foregoing Unit Agreement to which this consent is attached, the undersigned owners of lands or interests in lands or royalties or other interests in production covered by said Unit Agreement hereby severally, each to the extent of his particular ownership or interest briefly described opposite his signature, consent to the inclusion of said lands within the Unit Area therein defined, approve, and adopt the terms of said Unit Agreement as applicable to said several lands and interests, agree that the drilling and development requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and of the proceeds of gas duly made upon the basis of production allocated under said Unit Agreement to the particular lands to which such rights or interest apply regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

LAND OWNER'S AND OVERRIDING ROYALTIES

SIGNATURE

PERCENTAGE
OR FRACTION

DESCRIPTION

W. P. Thurmon
W. P. Thurmon

1/4

L.C. 062620 - 2400 acres
described in Exhibit B
hereof

Glossie Thurmon

SIGNATURESPERCENTAGE
OR FRACTIONDESCRIPTION

Myrtle McClure
Myrtle McClure

1%

L.C. 062604 - 2396.56 acres
described in Exhibit B hereof

J. H. McClure
J. H. McClure
502 Petroleum Building
Midland, Texas

1%

L.C. 062605 - in so far as
it covers 1439.30 acres de-
scribed in Exhibit B hereof

Gertrude W. Duffield
Gertrude W. Duffield

1%

L.C. 062618 - 2480 acres
described in Exhibit B hereof

R. F. Duffield
R. F. Duffield
Box 1795
Midland, Texas

Nelle Duffield
Nelle Duffield

1%

L.C. 062619 - 2477.20 acres
described in Exhibit B hereof

Duffield
Box 1795
Midland, Texas

Josephine Nolen
Josephine Nolen
Box 833
Midland, Texas

1%

L.C. 062602 - 2478.10 acres
described in Exhibit B hereof

Tom Nolen
Tom Nolen (a single man)
Box 833
Midland, Texas

1%

L.C. 062603 - 2479.35 acres
described in Exhibit B hereof

E. S. Hitchcock
E. S. Hitchcock

1%

L.C. 062623 - in so far as
it covers 2160 acres de-
scribed in Exhibit B hereof

Marjorie K. Hitchcock
Marjorie K. Hitchcock
Box 774
Midland, Texas

1%

L.C. 062617 - 1824.30 acres
described in Exhibit B hereof

V. L. Gates
V. L. Gates

2-1/4%

L.C. 069480 (formerly L.C.
062409) in so far as it
covers 720 acres described
in exhibit B hereof.

Nellie M. Gates
Nellie M. Gates
Artesia, New Mexico

SIGNATUREPERCENTAGE
OR FRACTIONDESCRIPTION

Mary Lorena Higgins,
Trustee
Address: _____

1/8 of 1% L.C. 069480 (formerly L.C.
062409) in so far as it covers
720 acres described in Ex-
hibit B herein.

Oil Royalties Corporation 1/8 of 1% L.C. 069480 (formerly L.C.
062409) in so far as it cov-
ers 720 acres described in
Exhibit B herein.

By: _____
President

ATTEST:

SecretaryAddress: _____

~~Lillian V. Browne~~
Lillian V. Browne
Browne
(a widow)
Box 9753
Los Feliz Station
Los Angeles 27, California

1/32

State of New Mexico lease
B-11212 in so far as it
covers the SE/4 2-16S-27E -
40 acres.

J. L. Moots (a single man)
Carlsbad, New Mexico

1/8

SE/4 SE/4 25-15S-26E;
SW/4 SW/4 30;
W/2 and SW/4 NE/4 and
NW/4 SE/4 31-15S-27E,
containing 477.80 acres

E. L. Taylor

1/8

W/2 SE/4 35-15S-26E,
containing 80 acres

Catherine B. Taylor
715 South Jenkins
Norman, Oklahoma

F. C. Jackson

1/8

S/2 SW/4 and NW/4 SW/4 8-
16S-27E, containing 120

SIGNATURES

PERCENTAGE
OR FRACTION

DESCRIPTION

Bloom Land and Cattle
Company

(?)

S $\frac{1}{2}$ SW $\frac{1}{4}$ 29; N $\frac{1}{2}$ NW $\frac{1}{4}$ 32-
15S-27E, containing 160
acres

By:

President

ATTEST:

Secretary
Roswell, New Mexico

R. H. Woolley

1/8

W $\frac{1}{2}$ NW $\frac{1}{4}$ & SW $\frac{1}{4}$ 31-16S-27E
containing 230.82 acres
(otherwise described as
Lots 1, 2, 3, 4, & E $\frac{1}{2}$ SW $\frac{1}{4}$)Woolley (wife)
649 South Olive
Los Angeles 14, California

J. W. Irwin

1/8

All of E $\frac{1}{2}$ 8-16S-27E except
W $\frac{1}{2}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$ containing 300
acresGreta E. Irwin (wife)
1201 Taylor St., Rt. 4

LAND OWNER'S AND OVERLAPPING ROYALTIES

J. C. Kennedy

1/8

N $\frac{1}{2}$ NE $\frac{1}{4}$ Section 8, T-16-S, R-27-E,
containing 80 acres*George M. Kennedy*

1/8

N $\frac{1}{2}$ NE $\frac{1}{4}$ Section 8, T-16-S, R-27-E
containing 80 acres*George M. Kennedy**George M. Kennedy*

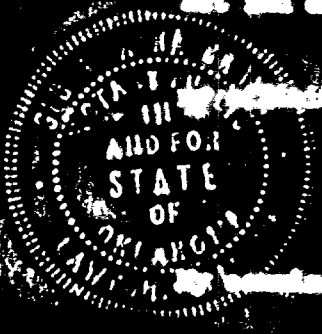
STATE OF OKLAHOMA

COUNTY OF OSAGE

On this 4th day of August, 1950 before me personally
appeared J. C. Kennedy and Greta E. Kennedy his wife, to me known to be the
persons described in and who executed the foregoing instrument, and
acknowledged that they executed the same as their free act and deed.In witness thereof, I have hereunto set my hand and affixed
my official seal the day and year in this certificate above written.*George M. Kennedy*
Notary PublicMy commission expires June 1, 1953.

STATE OF OKLAHOMA

COUNTY OF OSAGE

On this 4th day of August, 1950, before me personally
appeared George M. Kennedy and Greta E. Kennedy his wife, to me
known to be the persons described in and who executed the foregoing
instrument, and acknowledged that they executed the same as their free
act and deed.In witness thereof, I have hereunto set my hand and affixed
my official seal the day and year in this certificate above written.*George M. Kennedy*
Notary PublicMy commission expires June 1, 1953.

ILLEGIBLE

SIGNATURE

WITNESSES
OR DIVISION

ASSIGNMENT

Bloom Land and Cattle
Company

By

President

ATTENT:

Secretary
Roswell, New Mexico

H. H. Hooty

1/8

W/2 NW/4 and SW/4 31-162-27N
containing 230.82 Acres

440 South Olive
Los Angeles 14, California

Robert L. Hooty

Robert L. Hooty

Address: 222 So. 4th

Artesia, New Mexico

STATE OF *California*

COUNTY OF *San Diego*

SS.

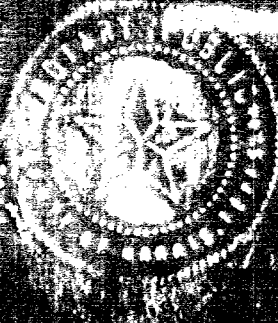
On this 12th day of March, 1951, before me
appeared *Robert L. Hooty*, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

In witness whereof, I have hereunto set my hand and
affixed my official seal the day and year first above written.

My commission expires

HELEN A. LEMMETTER, NOTARY PUBLIC IN AND FOR HARRIS COUNTY, TEXAS
My Commission Expires June 1, 1951

Helen A. Lemmetter
Notary Public



STATE OF _____)
COUNTY OF _____) SS.

On this _____ day of _____, 1950, before me personally appeared E. A. MABES and _____, his wife, to me known to be the person _____ described in and who executed the foregoing instrument, and acknowledged that _____ he executed the same as _____ free act and deed.

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

Notary Public

My commission expires _____

STATE OF _____)
COUNTY OF _____) SS.

On this _____ day of _____, 1950, before me personally appeared RALPH NIX and _____, his wife, to me known to be the persons _____ described in and who executed the foregoing instrument, and acknowledged that _____ he executed the same as _____ free act and deed.

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

Notary Public

My commission expires _____

STATE OF TEXAS)
COUNTY OF TARRANT) SS.

On this 1st day of June, 1950, before me personally appeared W. A. BOUNDS and MARIE SCOTT BOUNDS, his wife, to me known to be the persons described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

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

Viola McLanahan
Notary Public

My commission expires June 1, 1951

VIOLA McLANAHAN



Ed. Hillman

2 2/26

RECEIVED
JAN 26 1966
FBI - NEW YORK

Mary S. Holloman

29-B-2

Handwritten signature

Handwritten name: Harold C. Briger

Handwritten text, possibly a date or reference number

Handwritten text, possibly a date or reference number

2-69

28-B-1

STATE OF TEXAS)
) SS.
COUNTY OF TARRANT)

On this 1st day of July, 1950, before me personally appeared H. E. RENNELS and NELLIE MAE RENNELS, his wife, to me known to be the persons described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

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



Willa McLanahan
Notary Public WILLA McLANAHAN

My commission expires: June 1, 1951

STATE OF _____)
) SS.
COUNTY OF _____)

On this _____ day of _____, 1950, before me personally appeared EUNICE GIBSON and _____, her husband, to me known to be the person _____ described in and who executed the foregoing instrument, and acknowledged that _____ he _____ executed the same as _____ free act and deed.

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

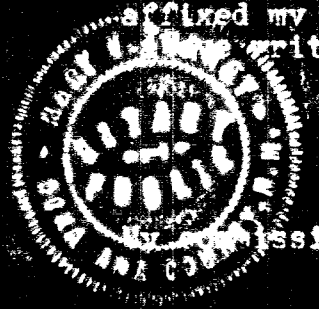
Notary Public

My commission expires: _____

STATE OF New Mexico)
) SS.
COUNTY OF Bernalillo)

On this 19th day of June, 1950, before me personally appeared G. W. BRIGHT and Wesley C. Bright, his wife, to me known to be the persons _____ described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

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



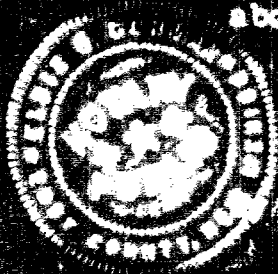
Mary L. Turner
Notary Public

My commission expires: November 1, 1953

STATE OF New Mexico)
COUNTY OF Eddy) SS.

On this 24 day of May, 1940, before me personally appeared HELEN E. MAPES and M. A. Mapes Jr. her husband, to me known to be the persons described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

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



Elsie G. Gorman
Notary Public

My commission expires: June 24, 1951

- 21 -

STATE OF _____)
COUNTY OF _____) SS.

On this _____ day of _____, 1940, before me personally appeared JOHN E. COCHRAN, Jr., and HARRIETT COCHRAN, his wife, to me known to be the persons described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

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

Notary Public

My commission expires: _____

STATE OF _____)
COUNTY OF _____) SS.

On this _____ day of _____, 1940, before me personally appeared ROSE F. WILSON and _____ her husband, to me known to be the persons described in and who executed the foregoing instrument, and acknowledged that he executed the same as _____ free act and deed.

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

STATE OF California)
COUNTY OF San Diego) SS.

On this 10th day of July, 1950, before

Santhorne
we personally appeared BERTHA H. SAWTHORNE and R. J. A. Sawthorne
her husband, to me known to be the person^S described in and
who executed the foregoing instrument, and acknowledged that
~~they~~ executed the same as their free act and deed.

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

[Signature]
Notary Public

My commission expires: June 25, 1954 NOTARY PUBLIC in and for the County of Los Angeles
State of California
My commission Expires June 25, 1954

STATE OF _____)
COUNTY OF _____) SS.

On this _____ day of _____, 1950, before

we personally appeared ELLA A. BLAKE and _____
her husband, to me known to be the person described in and
who executed the foregoing instrument, and acknowledged that
_____ executed the same as _____ free act and deed.

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

Notary Public

My commission expires: _____

STATE OF California)
COUNTY OF San Diego) SS.

On the 21st day of July, 1950, before

we personally appeared J. E. George and Theresa E. George
his wife, to me known to be the person described in and
who executed the foregoing instrument, and acknowledged that
they executed the same as their free act and deed.

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

[Signature]
Notary Public

My commission expires: January 12, 1952

STATE OF _____)
COUNTY OF _____) SS.

On this _____ day of _____, 1950, before
me personally appeared M. E. HIGGINS and _____
his wife, to me known to be the person described in and who
executed the foregoing instrument, and acknowledged that he
executed the same as _____ free act and deed.

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

Notary Public

My commission expires: _____

STATE OF Arizona)
COUNTY OF Maricopa) SS.

On this 5 day of July, 1950, before
me personally appeared S. C. KOLLERAN and Mamie C. Kolleran
his wife, to me known to be the person described in and who
executed the foregoing instrument, and acknowledged that they
executed the same as their free act and deed.

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

E. Keiser
Notary Public

My commission expires: June 9, 1953

STATE OF _____)
COUNTY OF _____) SS.

On this _____ day of _____, 1950, before

me personally appeared WILLIAM J. WILSON and _____
his wife, to me known to be the person described in and who
executed the foregoing instrument, and acknowledged that he
executed the same as _____ free act and deed.

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



STATE OF _____ I
COUNTY OF _____ I SS.

On this _____ day of _____, 1949, before me personally appeared HAL BOGLE and _____, his wife, to me known to be the person _____ described in and who executed the foregoing instrument, and acknowledged that _____ he executed the same as _____ free act and deed.

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

Notary Public

My commission expires _____.

STATE OF _____ I
COUNTY OF _____ I SS.

On this _____ day of _____, 1949, before me personally appeared LEON WILLIAMS and _____, his wife, to me known to be the person _____ described in and who executed the foregoing instrument, and acknowledged that _____ he executed the same as _____ free act and deed.

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

Notary Public

My commission expires _____.

STATE OF Texas I
COUNTY OF Levy I SS.

On this 9 day of March, 1950, before me personally appeared W. P. THURMON and Gladie Thurmon, his wife, to me known to be the persons _____ described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

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



R. Davis R. DAVIS
Notary Public SNYDER, TEXAS

My commission expires June 1, 1951.

STATE OF Texas _____ I
COUNTY OF Midland _____ I SS.

On this 9th day of March, 1950, before me personally appeared J. H. McCLORE and MYRTLE McCLORE, his wife, to me known to be the persons described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

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

[Signature]
Notary Public

My commission expires 6-1-57.

STATE OF Texas _____ I
COUNTY OF Midland _____ I SS.

On this 9th day of March, 1950, before me personally appeared GERTRUDE W. DUFFIELD and R. F. DUFFIELD, her husband, to me known to be the persons described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

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

[Signature]
Notary Public

My commission expires 6-1-57.

STATE OF Texas _____ I
COUNTY OF Midland _____ I SS.

On this 9th day of March, 1950, before me appeared personally NELLE DUFFIELD ~~and~~ a single woman, her husband, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that she executed the same as her free act and deed.

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

[Signature]
Notary Public

My commission expires 6-1-57.

STATE OF Texas ss.
COUNTY OF Midland

On this 9th day of March, 1950, before me personally appeared JOSEPHINE NOLEN, a single woman, her husband, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that she executed the same as her free act and deed.

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


Notary Public

My commission expires 6-1-57

STATE OF Texas ss.
COUNTY OF Midland

On this 9th day of March, 1950, before me personally appeared TOM NOLEN, a single man, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as his free act and deed.

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


Notary Public

My commission expires 6-1-57

STATE OF Texas ss.
COUNTY OF Midland

On this 9th day of March, 1950, before me personally appeared E. S. HITCHCOCK and MARJORIE K. HITCHCOCK his wife, to me known to be the persons described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

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

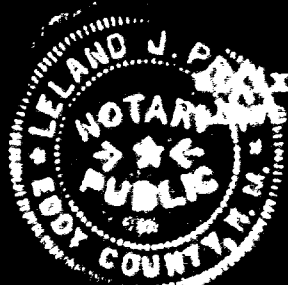

Notary Public

My commission expires 6-1-57

STATE OF New Mexico ss.
COUNTY OF Eddy

On this 17th day of June, 1949, before me personally appeared V. L. GATES, and MILLIE H. GATES, his wife, to me known to be the person s described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

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



Leland J. Davis
Notary Public

My commission expires June 1, 1950

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STATE OF _____ ss.
COUNTY OF _____

On this _____ day of _____, 1949, before me personally appeared MARY LORENA HIGGINS, TRUSTEE, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that she executed the same as her free act and deed, in the capacity herein stated.

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

Notary Public

My commission expires _____.

STATE OF _____ ss.
COUNTY OF _____

On this _____ day of _____, 1949, before me appeared _____, to me personally known, who, being by me duly sworn, did say that he is _____ President of OIL ROYALTIES CORPORATION, and that the seal affixed to said instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said _____ acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year first above written.

My commission expires _____.

Notary Public

STATE OF California)
COUNTY OF Los Angeles) SS.

On this 10 day of July, 1950, before me personally appeared LILLIAN V. BROWNE Widow, her husband, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that she executed the same as her free act and deed.

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

[Signature]

Notary Public

My commission expires Aug 17, 1951.

STATE OF _____)
COUNTY OF _____) SS.

On this _____ day of _____, 1949, before me personally appeared J. L. MOOTS, a single man, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as his free act and deed.

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

Notary Public

My commission expires _____.

STATE OF _____)
COUNTY OF _____)

On this _____ day of _____, 1949, before me personally appeared B. L. TAYLOR and CATHERINE B. TAYLOR, his wife, to me known to be the persons described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

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

Notary Public

My commission expires _____.

CERTIFICATION - DETERMINATION

Pursuant to the authority vested in the Secretary of the Interior, under the act approved February 25, 1920, 41 Stat. 437, 30 U. S. C. secs. 181, et seq., as amended by the act of August 8, 1946, 60 Stat. 950, and delegated to the Director of the Geological Survey pursuant to Departmental Order #2365 of October 8, 1947, 43 C. F. R. sec. 4.611, 12 F. R. 6784, I do hereby:

A. Approve the attached agreement for the development and operation of the Diamond Mound Unit Area, State of New Mexico.

B. Certify and determine that the unit plan of development and operation set forth in the attached agreement is necessary and advisable in the public interest and is for the purpose of more properly conserving the natural resources of the unit area.

C. Certify and determine that the drilling, producing, rental, minimum royalty, and royalty requirements of all Federal leases committed to said agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of this agreement.

Dated OCT 24 1950

Thomas B. Nolan
Acting Director United States Geological Survey.

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BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF THE CONTINENTAL OIL COMPANY,
A CORPORATION, FOR AN ORDER
APPROVING THE PROPOSED DIAMOND
BOUND UNIT AGREEMENT EMBRACING
28,592.85 ACRES OF FEDERAL, STATE
AND PRIVATELY OWNED LAND SITUATED
IN CHAVES AND ODDY COUNTIES, NEW
MEXICO, WITHIN TOWNSHIPS 15 and
16 SOUTH, RANGES 26 AND 27 EAST,
N.M.P.M.

CASE NO. 227

ORDER NO. B-25

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 10:00 o'clock, A.M., on the 18th day of July 1950, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission", upon the application of the Continental Oil Company for approval of the Diamond Bound Unit Agreement embracing lands situated in Chaves and Oddy Counties, New Mexico and the Commission having considered said application and the evidence introduced in support thereof and being fully advised in the premises:

FINDS that the proposed unit plan will in principle tend to promote the conservation of oil and gas and the prevention of waste;

IT IS THEREFORE ORDERED BY THE COMMISSION AS FOLLOWS:

SECTION 1. That this order shall be known as the

DIAMOND BOUND UNIT AGREEMENT ORDER

SECTION 2. (a) That the project herein referred to shall be known as the Diamond Bound Unit Agreement, and shall hereafter be referred to as the "Project".

(b) That the plan by which the project shall be operated shall be embraced in the form of a unit agreement for the development and operation of the Diamond Bound Unit Area referred to in the Petitioner's petition and filed with said petition, and such plan shall be known as the Diamond Bound Unit Agreement Plan.

SECTION 3. That the Diamond Bound Unit Agreement Plan shall be, and hereby is, approved in principle as a proper conservation measure; provided, however, that notwithstanding any of the provisions contained in said unit agreement this approval shall not be considered as waiving or relinquishing in any manner any rights, duties or obligations which are now, or may hereafter, be vested in the New Mexico Oil Conservation Commission by law relative to the

supervision and control of operations for exploration and development of any lands committed to said Diamond Found Unit Agreement, or relative to the production of oil or gas therefrom.

SECTION 4. (a) That the Unit Area shall be:

NE 1/4 SEC. 10, T. 15 N., R. 26 E.

T. 15 N., R. 26 E.

Sec. 24, all
Sec. 25, all
Sec. 26, all
Sec. 35, all
Sec. 36, all

T. 15 N., R. 27 E.,

Sec. 19, S 1/4, S 1/4
Sec. 20, S 1/4
Secs. 29, 30, and 31, all
Sec. 32, all
Sec. 33, S 1/4

T. 16 N., R. 27 E.,

Secs. 1 to 34 inclusive
Sec. 35, S 1/4

Total unit area 28,592.85 acres, more or less.

(b) The unit area may be enlarged or contracted as provided in said plan.

SECTION 5. That the unit operator shall file with the Commission an executed original or executed counterpart of the Diamond Found Unit Agreement within 30 days after the effective date thereof.

SECTION 6. That any party owning rights in the unitized substances who does not commit such rights to said unit agreement before the effective date thereof may thereafter become a party thereto by subscribing to such agreement or counterpart thereof. The unit operator shall file with the Commission within 30 days an original of any such counterpart.

SECTION 7. That this Order shall become effective on the first day of the calendar month next following the approval of the Commissioner of Public Lands of the State of New Mexico and the Director of the United States Geological Survey, and shall terminate ipso facto on the termination of said unit agreement. The unit operator shall immediately notify the Commission in writing of such termination.

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1970.

DONE at Santa Fe, New Mexico, on the 20th day of July,

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Thomas J. Halsey

Thomas J. Halsey, Chairman

Guy Shepard

Guy Shepard, Member

R. L. Spurr

R. L. Spurr, Secretary

EXHIBIT "B"
SCHEDULE SHOWING THE PERCENTAGE AND KIND OF OWNERSHIP OF OIL AND GAS INTERESTS
IN ALL LAND IN THE DIAMOND MOUND UNIT AGREEMENT

TRACT NO.	DESCRIPTION	NO. OF LAS CRUCES ACRES	SERIAL NO. OF LAS CRUCES & DATE OF LEASE	LAND OWNERS RECORD OWNER OF PERCENTAGE OF ROYALTY	LEASE OR APPLICATION	OVERRIDING ROYALTY OWNERS & PERCENTAGE	WORKING INTEREST OWNER UNDER OPTION AGREEMENT OPERATING AGREEMENT, LEASE OR ASSIGNMENT, AND PERCENTAGE OF INTEREST
FEDERAL LANDS							
1	T16S-R27E Sec. 11-A11 Sec. 12-NE $\frac{1}{4}$, NW $\frac{1}{4}$ Sec. 13-E $\frac{1}{2}$ Sec. 14-A11 Sec. 15-N $\frac{1}{2}$, SE $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$	2400.00	062620 7/1/48	USA	12 $\frac{1}{2}$ % Continental Oil Co.	W. P. Thurmon	1% Continental Oil Co. 86 $\frac{1}{2}$ %
2	T15S-R27E Sec. 30-N $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ Sec. 31-E $\frac{1}{2}$ N $\frac{1}{2}$, NW $\frac{1}{2}$ NE $\frac{1}{4}$, SW $\frac{1}{2}$ SE $\frac{1}{4}$ T16S-R27E Sec. 1-Lots 9 to 16, Inc., S $\frac{1}{2}$	1159.46	062604 10/1/48	USA	12 $\frac{1}{2}$ % Myrtle McClure	Myrtle McClure	1% Continental Oil Co. 86 $\frac{1}{2}$ %
3	T15S-R27E Sec. 29-N $\frac{1}{2}$ SE $\frac{1}{4}$, SW $\frac{1}{2}$ SE $\frac{1}{4}$, NW $\frac{1}{2}$ Sec. 32-SE $\frac{1}{2}$ N $\frac{1}{2}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, SW $\frac{1}{2}$ SE $\frac{1}{4}$ T16S-R27E Sec. 1-Lots 1 to 8, Inc. Sec. 2-Lots 2, 3, 6, 7, 12 & 13 W $\frac{1}{2}$ SW $\frac{1}{4}$ Sec. 3-Lots 1, 8, 9, 10, 15, 16, SE $\frac{1}{4}$	1237.10	062604 10/1/48	USA	12 $\frac{1}{2}$ % Myrtle McClure	Myrtle McClure	1% Continental Oil Co. 86 $\frac{1}{2}$ %

TRACT DESCRIPTION NO.	NO. OF ACRES	IAS CRUCES SERIAL NO. & LAND OWNERS DATE OF PERCENTAGE LEASE OR ROYALTY	RECORD OWNER OF LEASE OR APPLICATION	OVERRIDING ROYALTY OWNERS & PERCENTAGE	WORKING INTEREST OWNER UNDER OPTION AGREEMENT, OPERATING AGREEMENT, LEASE OR ASSIGNMENT, AND PERCENTAGE OF INTEREST
4 T158-R27E Sec. 19-Lots 2,3,4 SE1/4, SE1/4, NE1/4, E1/4, E1/4, NE1/4, E1/4, NE1/4, NE1/4	799.30	062605 9/1/48	USA 12 3/4% J. H. McClure	J. H. McClure 1%	Continental Oil Co. 86 3/4%
5 T158-R27E Sec. 20-S 1/4 Sec. 29-N 1/4	640.00	062605 9/1/48	USA 12 3/4% J. H. McClure	J. H. McClure 1%	Continental Oil Co. 86 3/4%
6 T168-R27E Sec. 15-N 1/4 SW 1/4 Sec. 21-A11	720.00	062618 7/1/48	USA 12 3/4% Gertrude W. Duffield	Gertrude W. Duffield 1%	Continental Oil Co. 86 3/4%
7 T168-R27E Sec. 22-A11 Sec. 23-A11 Sec. 24-N 1/4, SW 1/4	1760.00	062618 7/1/48	USA 12 3/4% Gertrude W. Duffield	Gertrude W. Duffield 1%	Continental Oil Co. 86 3/4%
8 T168-R27E Sec. 28-A11 Sec. 29-A11 Sec. 30-A11 Sec. 31-E 1/4, E 1/4, NE 1/4 Sec. 33-N 1/4	2477.20	062619 10/1/48	USA 12 3/4% Continental Oil Co.	Nelle Duffield 1%	Continental Oil Co. 86 3/4%
9 T168-R27E Sec. 8-E 1/4 NW 1/4 Sec. 9-A11 Sec. 10-S 1/4, NW 1/4 Sec. 17-A11 Sec. 18-E 1/4 Sec. 19-E 1/4 Sec. 20-W 1/4 NW 1/4	2400.00	062602 7/1/47	USA 12 3/4% Josephine Nolen	Josephine Nolen 1%	Continental Oil Co. 86 3/4%

TRACT NO.	DESCRIPTION	NO. OF ACRES	SERIAL NO. IAS CRUCES & DATE OF LEASE	LAND OWNER & PERCENTAGE OF ROYALTY	RECORD OWNER OF LEASE OR APPLICATION	OVERRIDING ROYALTY OWNERS & PERCENTAGE	WORKING INTEREST OWNER UNDER OPTION AGREEMENT, OPERATING AGREEMENT, LEASE OR ASSIGNMENT AND PERCENTAGE OF INTEREST
10	T16S-R27E Sec. 18 - Lot 4, SW1/4	78.10	062602 7/1/47	USA 12 1/2%	Josephine Nolen	Josephine Nolen 1 1/2%	Continental Oil Co. 86 1/2%
11	T16S-R27E Sec. 3 - Lots 3, 4, 5, 6, 11, 12, 13, 14, SW1/4 Sec. 4 - All Sec. 8 - SW1/4	1349.12	062603 5/1/47	USA 12 1/2%	Tom Nolen	Tom Nolen 1 1/2%	Continental Oil Co. 86 1/2%
12	T16S-R27E Sec. 3 - Lots 2 & 7 Sec. 4 - Lots 3, 4, 5, 12, 13 Sec. 6 - Lots 1 to 18, Inc. E1/2SW1/4, W1/2SE1/4 Sec. 7 - E1/2NE1/4 Sec. 8 - NW1/4SW1/4	1130.23	062603 5/1/47	USA 12 1/2%	Tom Nolen	Tom Nolen 1 1/2%	Continental Oil Co. 86 1/2%
13	T16S-R27E Sec. 33 - NW1/4	80.00	062623 9/1/48	USA 12 1/2%	E. S. Hitchcock	E. S. Hitchcock 1 1/2%	Continental Oil Co. 86 1/2%
14	T16S-R27E Sec. 24 - NE1/4 Sec. 25 - NW1/4 SW1/4, SW1/4, SE1/4SW1/4 Sec. 26 - SW1/4, W1/2SE1/4, NE1/4SE1/4, NW1/4 Sec. 27 - All Sec. 33 - NE1/4 Sec. 34 - NW1/4, NW1/4SE1/4 Sec. 35 - NW1/4SW1/4	2080.00	062623 9/1/48	USA 12 1/2%	E. S. Hitchcock	E. S. Hitchcock 1 1/2%	Continental Oil Co. 86 1/2%
15	T16S-R27E Sec. 19 - E1/4, W1/2 Sec. 20 - S1/4, NE1/4, E1/4SW1/4	880.00	062617 7/1/47	USA 12 1/2%	Marjorie K. Hitchcock	Marjorie K. Hitchcock 1 1/2%	Continental Oil Co. 86 1/2%

Tract No.	DESCRIPTION	No. of ACRES	SERIAL NO. & LAS CRUCES (Except as otherwise shown) Date OF LEASE	LAND OWNER	RECORD OWNER OF LEASE OR PERCENTAGE OF ROYALTY APPLICATION	OVERRIDING ROYALTY OWNERS & PERCENTAGE	WORKING INTEREST OWNER UNDER OPTION AGREEMENT, OPERATING AGREEMENT, LEASE OR ASSIGNMENT, AND PERCENTAGE OF INTEREST
16	T16S-R27E Sec. 7-Lots 1,2,3,4 E1/4, SE1/4, W1/4NE1/4 Sec. 18-Lots 1,2,3,4 E1/4NE1/4, NE1/4SW1/4 Sec. 19-Lots 1,2,3,4	944.30	062617 7/1/47	USA	12 1/4%	Marjorie K. Hitchcock Hitchcock	1 1/4% Continental Oil Co. 86 1/4%
17	T16S-R27E Sec. 12-S1/4, S1/4NE1/4 Sec. 13-W1/4	720.00	069480 7/1/49	USA	12 1/4%	W. A. Rounds	V. L. Gates 2 1/4% Mary L. Higgins 1/8% Old Royalties Corp. 1/8% Continental Oil Co. 85%
18	T15S-R26E Sec. 24-NE1/4SE1/4, S1/4SE1/4 Sec. 25-NE1/4, NE1/4SE1/4 SW1/4SE1/4, SW1/4 Sec. 35-E1/4SE1/4	720.00	N.M.0187 1/1/50	USA	12 1/4%	H. E. Rennels	None Continental Oil Co. 87 1/4%
19	T15S-R26E Sec. 26-S1/4SE1/4 Sec. 35-1/4SE1/4	160.00	N.M.0187 1/1/50	USA	12 1/4%	E. E. Rennels	None Continental Oil Co. 87 1/4%
20	T15S-R26E Sec. 25-S1/4NE1/4	80.00	062725 (App)	USA	12 1/4%	Eunice Gibson	None Eunice Gibson 87 1/4%
21	T15S-R27E Sec. 29-S1/4SE1/4	40.00	064736 (App)	USA	12 1/4%	G. W. Bright	None G. W. Bright 87 1/4%
22	T15S-R27E Sec. 33-W1/4	160.00	062201 9/1/50	USA	12 1/4%	Helen E. Mapes	2% Continental Oil Co. 85 1/4%
23	T16S-R27E Sec. 33-NE1/4	80.00	069861 3/1/50	USA	12 1/4%	John E. Cochran, Jr.	None Malco Refineries, Inc. 87 1/4%
TOTAL FEDERAL LANDS		22,054.81					

TRACT NO.	DESCRIPTION	NO. OF ACRES	LEASE NO. & DATE	LAND OWNER RECORD OWNER OF LEASE & PERCENTAGE OF ROYALTY	OVERRIDING ROYALTY OWNERS & PERCENTAGE	WORKING INTEREST OWNER UNDER OPTION AGREEMENT, OPERATING AGREEMENT, LEASE OR ASSIGNMENT, AND PERCENTAGE OF INTEREST
<u>STATE LANDS</u>						
24	T15B-B261 Sec. 36-NE1NE1, SW1NE1 T15B-B271 Sec. 32-SW1SW1	120.00	E-3280 2/10/50	State 12 3/4% Continental Oil Co.	None	Continental Oil Co. 87 3/4%
25	T15B-B261 Sec. 36-SE1NE1, W1NW1 SW1SW1, W1NW1	160.00	E-2194 10/11/48	State 12 3/4% Continental Oil Co.	None	Continental Oil Co. 87 3/4%
26	T15B-B261 Sec. 36-SE1NW1	40.00	B-9246 7/29/41	State 12 3/4% Continental Oil Co.	None	Continental Oil Co. 87 3/4%
27	T15B-B261 Sec. 36-NW1SW1	40.00	B-11111 3/4/44	State 12 3/4% Continental Oil Co.	None	Continental Oil Co. 87 3/4%
28	T15B-B261 Sec. 36-SE1SW1	40.00	B-9058 3/27/41	State 12 3/4% Continental Oil Co.	None	Continental Oil Co. 87 3/4%
29	T15B-B261 Sec. 36-BE1SE1	40.00	B-9983 10/29/42	State 12 3/4% Continental Oil Co.	None	Continental Oil Co. 87 3/4%
30	T16B-B271 Sec. 2-Lots 1, 4, 5, 8 Sec. 16-SW1SW1	193.72	E-738 2/11/46	State 12 3/4% Continental Oil Co.	None	Continental Oil Co. 87 3/4%
31	T16B-B271 Sec. 2-Lots 9, 10 Sec. 6-E1SE1 Sec. 16-N1, SE1, NW1	720.00	E-2197 10/11/48	State 12 3/4% Continental Oil Co.	None	Continental Oil Co. 87 3/4%

TRACT NO.	DESCRIPTION	NO. OF ACRES	LEASE NO. & DATE	LAND OWNER & PERCENTAGE OF ROYALTY	RECORD OWNER OF LEASE	OVERRIDING ROYALTY OWNERS & PERCENTAGE	WORKING INTEREST OWNER UNDER OPTION AGREEMENT, OPERATING AGREEMENT, LEASE OR ASSIGNMENT, AND PERCENTAGE OF INTEREST
42	T158-B27E Sec. 32-NW1/4NE1/4	40.00	B-9875 10/16/42	State 12 3/4%	J. M. Thorpe	None	J. M. Thorpe 87 1/2%
43	T158-B27E Sec. 32-NE1/4NE1/4, SW1/4NW1/4 SE1/8E1/4	120.00	E-4196 9/11/50	State 12 3/4%	Continental Oil Co.	None	Continental Oil Co. 87 1/2%
44	T158-B27E Sec. 32-NW1/4SW1/4	40.00	B-9315 9/17/41	State 12 3/4%	Continental Oil Co.	S.C. Hollman 2 1/4%	Continental Oil Co. 85 1/4%
45	T168-B27E Sec. 25-SW1/4NW1/4	40.00	B-9965 12/10/42	State 12 3/4%	W. J. Wilson	None	W. J. Wilson 87 1/2%
46	T158-B26E Sec. 36-NE1/4NW1/4	200.00	E-2770 7/11/49	State 12 3/4%	Texas Pacific Coal & Oil Company	None	Texas Pacific Coal & Oil Company 87 1/2%
47	T168-B27E Sec. 32-NE1/4, SW1/4NE1/4, NW1/4	520.00	E-2773 7/11/49	State 12 3/4%	Gulf Oil Corporation	None	Gulf Oil Corporation 87 1/2%
47(a)	T168-B27E Sec. 21-NW1/4NE1/4 Sec. 26-SE1/8E1/4 Sec. 33-S1/8E1/4 Sec. 34-SE1/4NE1/4, SE1/8E1/4, SW1/4	560.00		State of New Mexico	Unleased		State of New Mexico 100%
TOTAL STATE LANDS		4,073.72					

TRACT NO.	DESCRIPTION	NO. OF ACRES	EXPIRATION DATE OF LEASE	LAND OWNERS & PERCENTAGE OF ROYALTY	RECORD OWNER OF LEASE	OVERRIDING ROYALTY OWNERS & PERCENTAGE	WORKING INTEREST OWNER UNDER OPTION AGREEMENT, OPERATING AGREEMENT, LEASE OR ASSIGNMENT, AND PERCENTAGE OF INTEREST
PATENTED LANDS							
48	T158-B26E Sec. 25 - SE1/4	477.80	6/20/54	J. L. Moots 12 3/4%	Continental Oil Company	None	Continental Oil Co. 87 1/2%
	T158-B27E Sec. 30 - SW1/4						
	Sec. 31 - Lots 1, 2, 3, 4, E1/4, SW1/4, NW1/4						
49	T158-B26E Sec. 35 - W1/2	80.00	6/25/55	B. L. Taylor and Catherine B. Taylor 12 3/4%	Continental Oil Company	None	Continental Oil Co. 87 1/2%
50	T168-B27E Sec. 8 - SE1/4, NW1/4	120.00	9/19/56	E. C. Jackson and Maude A. Jackson 12 3/4%	Continental Oil Company	None	Continental Oil Co. 87 1/2%
51	T158-B26E Sec. 34 - NW1/4	40.00		Kate M. Carnegiey	Unleased		Kate M. Carnegiey 100%
52	T158-B26E Sec. 35 - NW1/4	80.00		E. A. Mabes	Unleased		E. A. Mabes 100%
53	T158-B26E Sec. 26 - NW1/4	80.00	10/23/56	E. A. Mabes 12 3/4%	Ralph Nix	None	Ralph Nix 87 1/2%
54	T158-B27E Sec. 29 - SE1/4 Sec. 32 - NW1/4	160.00		Bloom Land & Cattle Company 6 7/8% Mid-West Investment Company 6 7/8%	Leonard Oil Co.	None	Leonard Oil Co. 87 1/2%

TRACT NO.	DESCRIPTION	NO. OF ACRES	EXPIRATION DATE OF LEASE	LAND OWNERS & PERCENTAGE OF ROYALTY	RECORD OWNER OF LEASE	OVERRIDING ROYALTY OWNERS & PERCENTAGE	WORKING INTEREST OWNER UNDER OPTION AGREEMENT, OPERATING AGREEMENT, LEASE OR ASSIGNMENT, AND PERCENTAGE OF INTEREST
59	T16S-R27E Sec. 8-W1/4NW1/4SE1/4	20.00		H. S. Russell and P. H. Clark	Unleased		H. S. Russell and P. H. Clark 100%
60	T16S-R27E Sec. 8-NE1/4SW1/4	40.00		William H. Hill Gray Smith	Unleased	75% 25%	William H. Hill Gray Smith 75% 25%
61	T16S-R27E Sec. 10-E1/4NE1/4	80.00		M. P. Cook	Unleased		M. P. Cook 100%
62	T16S-R27E Sec. 31-Lots 1,2,3,4, E1/4SW1/4	230.80	4/29/56	R. R. Woolley	12 1/2% DeKalb Agricultural Association		DeKalb Agricultural Association 87 1/2%
TOTAL PATENTED LANDS		2,424.30					

26,592.83
x
26,592.83

TOTAL LANDS IN DIAMOND MOUND UNIT AREA28,592.83 acres

RECAPITULATION

Federal Lands22,094.81 acres

State Lands4,073.72 acres

Patented Lands2,424.30 acres

Total Number of Acres in Diamond Mound Unit Area

28,592.83