

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

March 22, 1951

C
O
P
Y

Mr. John E. Cochran, Jr.
Carper Building
Artesia, New Mexico

RE: Case 264 - Kewanee Oil Company
"Four Mile Unit" Agreement

Dear Mr. Cochran:

We are enclosing signed copy of Order R-62 approving the captioned case, together with Certificate of Approval signed by Guy Shepard, Commissioner of Public Lands of the State of New Mexico as of March 20, 1951.

Very truly yours,

bpw

Secretary and Director

Guy Shepard

KEWANEE OIL COMPANY
LAND AND GEOLOGICAL DEPARTMENT
P. O. Box 239
ROSWELL, NEW MEXICO
October 22, 1952

Case 264
Order R-62

New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Re: Four Mile Unit Agreement
No. 14-08-001-322
Chaves County, New Mexico

Dear Sir:

Enclosed find one copy of a complete and fully executed unit agreement, unit operating agreement, and supplement to the unit operating agreement of the Four Mile Unit, Chaves County, New Mexico.

Please acknowledge receipt by returning the extra copy of this letter.

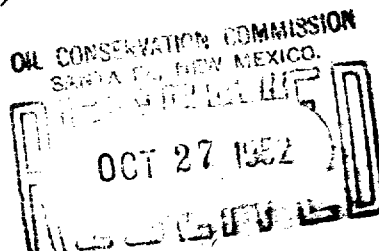
Yours very truly,

KEWANEE OIL COMPANY

Jack R. Huffmyer
Jack R. Huffmyer

Received by
Date

R. L. Jourries
10/27/52



*Carbon copy of
10-27-52
H. H. J.*

11

KEWANEE OIL COMPANY
LAND AND GEOLOGICAL DEPARTMENT
P. O. Box 239
ROSWELL, NEW MEXICO

January 2, 1953

JAN 5 1953

Chas 244

New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Gentlemen:

Enclosed find one (1) executed copy of a
Consent & Ratification by Irene Schmidt committing
overriding royalty interest on Tract No. 32, Exhibit "B"
to the Four Mile Unit Agreement.

Please acknowledge receipt by returning the
extra copy of this letter. done —

Yours very truly,

KEWANEE OIL COMPANY

Jack R. Huffmyer
Jack R. Huffmyer

JRH/d
Encl.

||

CONSENT AND RATIFICATION OF
FOUR MILE UNIT AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

The undersigned (whether one or more) hereby acknowledge receipt of an identical copy of the Unit Agreement for the Development and Operation of the Four Mile Unit Area dated the 15th day of March, 1951, embracing lands situated in Chaves County, New Mexico, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of the leasehold, royalty or other interests in the lands or minerals as indicated on the Schedule attached to said Unit Agreement as Exhibit "B" do hereby commit all of their said interests to the Four Mile Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgements.

Irene Schmidt

Sole Devisee and Legatee and Executrix
~~of the Last Will and Testament of~~
Patrick Nathaniel Schmidt, also known
~~as Nat P. Schmidt, deceased,~~

STATE OF Iowa)
COUNTY OF Scott) SS.

On this 23rd day of August, 1952, before me personally appeared IRENE SCHMIDT
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.

WITNESS MY HAND and official seal this 23rd day of August, 1952.

My commission expires:

July 4, 1953

Clark W. Smith

Notary Public

Davenport, Iowa.
Post Office

STATE OF _____)
COUNTY OF _____) SS.

On this _____ day of _____, 1952, before me personally appeared _____
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.

WITNESS MY HAND and official seal this _____ day of _____, 1952.

My commission expires:

Notary Public

Post Office

STATE OF _____)
COUNTY OF _____) SS.

On this _____ day of _____, 1952, before me personally appeared _____
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.

WITNESS MY HAND and official seal this _____ day of _____, 1952.

My commission expires:

Notary Public

Post Office

KEWANEE OIL COMPANY

2317 FIDELITY-PHILADELPHIA TRUST BUILDING

123 SOUTH BROAD STREET

PHILADELPHIA 9, PA.

February 20, 1953

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

FOUR MILE UNIT AREA
CHAVES COUNTY, NEW MEXICO
NO. 14-08-001-322

Gentlemen:

Irene Schmidt, sole devisee and legatee, and Executrix of the Last Will and Testament of Patrick Nathaniel Schmidt, also known as Nat P. Schmidt, Deceased, executed, on August 3, 1952, a Consent and Ratification of the Four Mile Unit Agreement in Chaves County, New Mexico, thereby committing the two per cent overriding royalty interest owned by her under State of New Mexico Oil and Gas Lease No. B-11384 insofar as it covers all of Section 23, Township 18 South, Range 18 East, N. M. P. M., in Chaves County, New Mexico, to the Four Mile Unit Agreement.

Kewanee Oil Company, as the working interest owner of State of New Mexico Oil and Gas Lease No. B-11384, covering all of Section 23, Township 18 South, Range 18 East, N. M. P. M., in Chaves County, New Mexico, does hereby consent to the commitment of said overriding royalty interest to the Four Mile Unit Agreement.

Very truly yours,

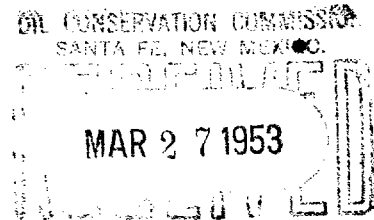
KEWANEE OIL COMPANY

By 
Wm. Wikoff Smith, President

WWS/es

KEWANEE OIL COMPANY
LAND AND GEOLOGICAL DEPARTMENT
P. O. Box 239
ROSWELL, NEW MEXICO

March 24, 1953



New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Gentlemen:

Enclosed find letters from Kewanee Oil Company addressed to the Director of The United States Geological Survey and to The Commissioner of Public Lands approving the commitment of an overriding royalty interest on State Lease No. B-11384, to the Four Mile Unit Agreement.

A copy of the Consent & Ratification application signed by Mrs. Irene Schmidt, was distributed January 2, 1953.

Please acknowledge receipt by returning the extra copy of this letter.

Very truly yours,

KEWANEE OIL COMPANY

Jack R. Huffmyer
Jack R. Huffmyer

JRH/d
Encls.

6. 10. 1944

12 - 5 - 4E

T.A. 10. 10. 1944, D.D.

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Copy 200
E. M. R. L.

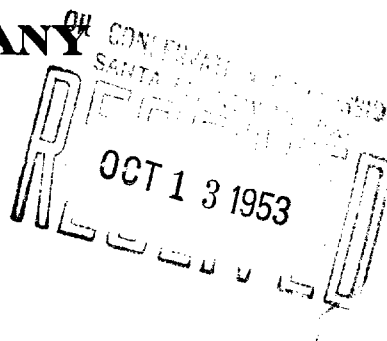
KEWANEE OIL COMPANY

KENNEDY BUILDING

P. O. Box 2239

TULSA 1, OKLAHOMA

October 1, 1953



Re: Four Mile Unit Agreement
Chaves County, New Mexico
File No. 14-08-001-322

Director of the United States Geological Survey
New Mexico Commissioner of Public Lands
New Mexico Oil Conservation Commission

Gentlemen:

Please consider this request by Kewanee Oil Company (Unit Operator, Four Mile Area) for a one-year extension of drilling requirements from November 16, 1953, for a second test well on subject Unit.

Pursuant to the terms of the Four Mile Unit Agreement (Sec. 9) a second test well must be commenced on or before November 16, 1953.

Kewanee Oil Company has fulfilled initial drilling requirements provided for in the Four Mile Unit Agreement by drilling a test well to a total depth of 6562 feet, having tested the primary objective horizon (Fusselman formation). The well was plugged and abandoned on May 16, 1953. Kewanee drilled this test well to a depth 1062 feet below the maximum depth provided for under the Agreement.

The Four Mile Unit is a complex geological problem in a sparsely explored area of hazardous drilling conditions, and as a result, abnormally high development costs. Kewanee has thus far expended monies in excess of \$250,000.00 on this project.

We feel that the area has not been condemned by the initial well, and believe that the Unit should be continued intact pending the interpretation and geological significance of other deep test wells presently drilling in the region. The structural and stratigraphic relationships between these wells will have a regional bearing on the complexities of faulting and folding closely correlative to the Four Mile Unit Area. The wells concerned are (1) the Stanolind No. 1 Thorn Unit, Sec. 15, T-21-S, R-14-E; and (2) the Continental No. 1 East Texas Hill Unit, Sec. 1, T-22-S, R-21-E.

Continental No. 1 East Texas Hill Unit, Sec. 1, T-22-S, R-21-E, 7-14-53
Continental No. 1 East Texas Hill Unit, Sec. 1, T-22-S, R-21-E, 7-14-53

-2-

Our request for a one-year extension from November 16, 1953, for the beginning of a second test well is necessary to provide time for Kewanee Oil Company and working interest owners to finish geological work in progress, to contemplate further geological work that may be warranted and to further consider the most economical and practical measures for continuing our conquest of this problem.

Yours very truly,

Kewanee Oil Company

A handwritten signature in dark ink, appearing to read 'F. D. Baker', with a long, sweeping horizontal stroke extending to the right.

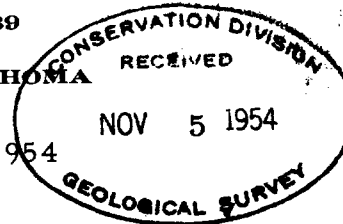
F. D. Baker,
Vice-President

FDB/bm

KEWANEE OIL COMPANY

P. O. BOX 2289
TULSA 1, OKLAHOMA

October 29, 1954



Re: Four Mile Unit Agreement
Chaves County, New Mexico
File No. 14-08-001-322

Director of the United States Geological Survey
New Mexico Commissioner of Public Lands
New Mexico Oil Conservation Commission

Gentlemen:

For your consideration, Kewanee Oil Company (Unit Operator of the Four Mile Unit) submits this request for an additional six months extension of time from November 16, 1954, in which to commence a second test well on the subject Unit.

Section nine of the Four Mile Unit Agreement provides that a second test well must be commenced on or before November 16, 1953, in order to continue the Four Mile Unit in force. On October 1, 1953, Kewanee Oil Company, Unit Operator, requested and was granted an extension of time to November 16, 1954.

As was stated in the October 1, 1953, request for an extension of time, Kewanee Oil Company fulfilled and exceeded the initial drilling requirements of the Four Mile Unit. A well was drilled 1062 feet below the required depth to a total depth of 6562 feet. A thorough test, including the cementing of a production string of casing, was made of the most promising potential oil bearing horizon under the location drilled. This particular location was a failure, however, and the test well was plugged and abandoned.

The Four Mile Unit embraces a particularly complex geological problem. One test well cannot serve to evaluate all of its possibilities. Hazardous drilling conditions are the general rule in the area and consequently exploration costs are exceedingly high. An appropriation in excess of \$260,000.00 has already been expended by Kewanee Oil Company as Unit Operator on this project.

KEWANEE OIL COMPANY

DATE October 29, 1954

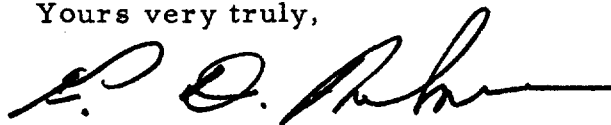
- 2 -

A geological study of the Unit is continuing. Its complexity requires much time and effort. The scarcity of geological information in this frontier area requires that time be allotted to the study of new information as it is derived.

The Humble Oil Company is currently drilling a test well several miles southeast of the Four Mile Unit, but along the same geological feature and in anticipation of the same type of trap as we believe exists within the Four Mile Unit. Time is needed to await the outcome of this test and to study its influence on the Four Mile Unit, thus enabling Kewanee Oil Company, as Unit Operator, to continue additional geological study of the area and to attempt a thorough geological evaluation of the Unit in an economical and practical manner.

We wish to thank you for your consideration of this matter.

Yours very truly,

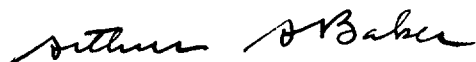


F. D. Baker,
Vice President

SDS/bm

Date approved NOV 17 1954

Approved with the warning that further requests for extension of time may not be considered favorably without stronger showings of progress toward the objectives of the unit agreement.



Acting Director, Geological Survey

RS
Lyon
204

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 871
SANTA FE, NEW MEXICO

MEMORANDUM:

TO: R. R. Spurrier and W. B. Macey

FROM: Elvis A. Utz

SUBJECT: Four Mile Unit Agreement - Chaves County

Kewanee has asked for a one (1) year extension on the above captioned unit beginning November 16, 1953, during which time they will of course evaluate geological information to determine whether or not they will drill a second well. They state they are concerned with geological information from two wells; the Stanolind #1 Thorn Unit and the Continental #1 East Texas Hill. The first well was temporarily abandoned 9-14-53 at 4646' in lime and shale, which may have been Pennsylvanian, at least it is below the Abo. The Continental well was drilling at 7920' in lime and chert, 10-21-51. In view of this, my first opinion would be ⁷⁶six months should be sufficient time to evaluate the information on these two wells as well as their well which was completed in May. 512

I am inclined to recommend a one (1) year extension as requested for the following reasons:

1. This unit is located in an area which is expensive in which to operate and which has not shown much promise.
2. By allowing only six months it might cause them to give up the unit rather than drill another well.
3. I have no reason to believe that this is an acreage-holding scheme rather than a sincere desire to further evaluate the area.

Mr. Ed Canfield tentively recommended a one (1) year extension, but is quite willing to go along with either six months or a year. Mr. Rhodes and Mr. Trujillo of the State Land Office are agreeable to one year.

November 4, 1953
ir

1 yr. Extension
7.11.10.1953 to Nov 16, '54

December 17, 1953

Exxon Oil Company
Kennedy Building
P. O. Box 2239
Tulsa 1, Oklahoma

Re: Four Mile Unit Agreement
Chaves County, New Mexico
Your File No. 14-68-001-322

Gentlemen:

I have carefully read your application of October 1, 1953, for extension of time of one-year from November 16, 1953, for the beginning of a second test well on the above captioned Unit Agreement. This office approves a six month extension from November 16, 1953, for a second test well on subject unit, provided, however, like consent therefor is had from the United States Geological Survey and the New Mexico Oil Conservation Commission.

Very truly yours,

E. S. WALKER
Commissioner of Public Lands

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

February 4, 1934

C
O
P
Y

Kewanee Oil Company
Kennedy Building
P. O. Box 2239
Tulsa 1, Oklahoma

Re: Four Mile Unit Agreement
Chaves County, New Mexico

Gentlemen:

This will acknowledge receipt of your letter of recent date which has reference to your application dated October 1, 1933 requesting a twelve month extension from and after November 16, 1933 for the beginning of a second test well on the above captioned unit agreement. Our office had allowed you a six month extension on December 17, 1933.

We have reconsidered your application and it has been decided to grant you a twelve month extension from November 16, 1933 in accordance with your original request, provided, like consent therefor is obtained from the United States Geological Survey and Oil Conservation Commission and on file with this office.

Very truly yours,

E. S. WALKER
Commissioner of Public Lands

cc: United States Geological Survey
Roswell, New Mexico
Oil Conservation Commission
Santa Fe, New Mexico

||
KEWANEE OIL COMPANY

MAIN OFFICE OCC

P. O. Box 2239

RECEIVED 1 TULSA 1, OKLAHOMA
AM 6:43

October 29, 1954

*approved 11/5/54 Wm
Case 264*

Re: Four Mile Unit Agreement
Chaves County, New Mexico
File No. 14-08-001-322

Director of the United States Geological Survey
New Mexico Commissioner of Public Lands
New Mexico Oil Conservation Commission

Gentlemen:

For your consideration, Kewanee Oil Company (Unit Operator of the Four Mile Unit) submits this request for an additional six months extension of time from November 16, 1954, in which to commence a second test well on the subject Unit.

Section nine of the Four Mile Unit Agreement provides that a second test well must be commenced on or before November 16, 1953, in order to continue the Four Mile Unit in force. On October 1, 1953, Kewanee Oil Company, Unit Operator, requested and was granted an extension of time to November 16, 1954.

As was stated in the October 1, 1953, request for an extension of time, Kewanee Oil Company fulfilled and exceeded the initial drilling requirements of the Four Mile Unit. A well was drilled 1062 feet below the required depth to a total depth of 6562 feet. A thorough test, including the cementing of a production string of casing, was made of the most promising potential oil bearing horizon under the location drilled. This particular location was a failure, however, and the test well was plugged and abandoned.

*5500'
6562'*

The Four Mile Unit embraces a particularly complex geological problem. One test well cannot serve to evaluate all of its possibilities. Hazardous drilling conditions are the general rule in the area and consequently exploration costs are exceedingly high. An appropriation in excess of \$260,000.00 has already been expended by Kewanee Oil Company as Unit Operator on this project.

Wm

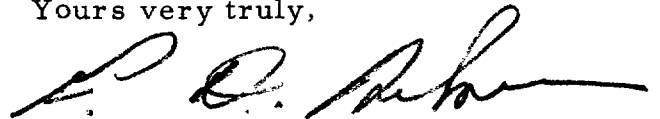
- 2 -

A geological study of the Unit is continuing. Its complexity requires much time and effort. The scarcity of geological information in this frontier area requires that time be allotted to the study of new information as it is derived.

The Humble Oil Company is currently drilling a test well several miles southeast of the Four Mile Unit, but along the same geological feature and in anticipation of the same type of trap as we believe exists within the Four Mile Unit. Time is needed to await the outcome of this test and to study its influence on the Four Mile Unit, thus enabling Kewanee Oil Company, as Unit Operator, to continue additional geological study of the area and to attempt a thorough geological evaluation of the Unit in an economical and practical manner.

We wish to thank you for your consideration of this matter.

Yours very truly,



F. D. Baker,
Vice President

SDS/bm

APPROVED BY Original approved by W.B. Macey, 11/15/54
AM.

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

November 16, 1954

*file
encl 264*

**Kewanee Oil Company
P. O. Box 2239
Tulsa 1, Oklahoma**

Attention: Mr. F. D. Baker, Vice President

**Re: Four Mile Unit Agreement
Chaves County, New Mexico
File No. 14-08-001-332**

Gentlemen:

Your application dated October 29, 1954, requesting six months additional time, from November 16, 1954, in which to commence drilling operations on a second test well in the subject unit is this date approved by the New Mexico Oil Conservation Commission, subject to like approval by the Director of the United States Geological Survey and by the Commissioner of Public Lands of the State of New Mexico.

One approved copy of the application is herewith returned.

Yours very truly,

**W. B. Macey
Secretary - Director**

WBM:jh

encl.

Ok

C
O
P
Y

November 17, 1954

Keweenaw Oil Company
P.O. Box 2239
Tulsa 1, Oklahoma

Attention: Mr. F. D. Baker, Vice President

Re: Four Mile Unit Agreement
Chaves County, New Mexico
Your File: 14-88-001-332

Gentlemen:

We have your application dated October 29, 1954, requesting six months additional time, from November 16, 1954, in which to commence drilling operations on a second test well in the above captioned unit agreement. Your request is approved on this date provided like approval is obtained from the United States Geological Survey and Oil Conservation Commission.

One approved copy of the application is inclosed 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



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

NOV 19 1954

KEWANEE OIL CO.			
EXPLORATION DEPT.			
NOV 22 1954			
J.R.W.	<input checked="" type="checkbox"/>	S.M.G.	
D.E.R.		Drafting	
L.L.C.	<input checked="" type="checkbox"/>		
O.F.G.			
J.C.M.		FILE	

Kewanee Oil Company
Kennedy Building
Tulsa 1, Oklahoma

Gentlemen:

On November 17, 1954, Acting Director of the Geological Survey, Arthur A. Baker, approved your application for an extension of time expiring May 16, 1955, within which to commence drilling the second test well under the Four Mile unit agreement, Chaves County, New Mexico, No. 14-08-001-322.

Enclosed are two copies of the approved application for your records. It is assumed that you will furnish the State of New Mexico or any other interested principal with whatever evidence of this approval is deemed appropriate.

Your attention is called to the condition of approval on the face of the application.

Very truly yours,


For the Director

Enclosures 2

KEWANEE OIL COMPANY

P. O. BOX 2239

TULSA 1, OKLAHOMA

November 24, 1954

Re: Four Mile Unit Agreement
Chaves County, New Mexico
File No. 14-08-001-332

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

Attention: Mr. W. B. Macey,
Secretary - Director

Dear Sir:

We are in receipt of your letter dated November 16, 1954, approving an extension of time in which to commence drilling operations on a second test well in the above captioned unit providing like approval is obtained from the Director of the United States Geological Survey and the New Mexico Commissioner of Public Lands. Attached please find photo copy of this agreement showing the United States Geological Survey's approval for extension to May 16, 1955. We note on the letter from the New Mexico Commissioner of Public Lands dated November 17, 1954, that you were furnished with a copy of their approval.

We shall be happy to supply you with any additional information or material needed to complete your file in this connection.

Yours very truly,


L. L. Crozier
Exploration Department

/bm
Encl.

KEWANEE OIL COMPANY

P. O. BOX 2289

TULSA 1, OKLAHOMA

October 12, 1955

file #264

Terminated

Re: (Four Mile Unit Agreement)
Chaves County, New Mexico
Department Contract No.
14-08-001-322
Dated March 15, 1951
Approved September 23, 1952

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

Dear Sir:

The above captioned Unit Agreement has been terminated effective as of September 1, 1955. In order to complete your files, we are enclosing a photocopy of the termination approved by the Director of the United States Geological Survey, New Mexico Commissioner of Public Lands and New Mexico Oil Conservation Commission.

Yours very truly,


L. L. Crozier
Chief Landman
Exploration Department



LLC/bm

Encl.

RECEIVED
P. O. BOX 1289
TULSA 1, OKLAHOMA
AUG 10, 1955

KEWANEE OIL COMPANY

P. O. BOX 1289

TULSA 1, OKLAHOMA

August 10, 1955

RECEIVED
AUG 18 1955
U. S. GEOLOGICAL SURVEY
ROSWELL, NEW MEXICO

Re: Request to Terminate the
Four Mile Unit Agreement
Chaves County, New Mexico
Department Contract No.
14-08-001-322
Dated March 15, 1951
Approved September 23, 1952

Director of the United States Geological Survey
Department of the Interior
Washington 25, D. C.

Commissioner of Public Lands
State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

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

Gentlemen:

Kewanee Oil Company, as operator of the captioned unit and with the concurrence of the other interested members of the unit, hereby requests termination of the Four Mile Unit Agreement. Such termination to be effective on the first day of the month in which this request is approved.

To exhibit that we have acted in good faith concerning the Unit Agreement, we submit the following resume of our efforts toward development of the oil and/or gas possibilities in this area:

Kewanee Oil Company, as operator and at Kewanee's sole expense, drilled two test wells within the confines of the unit. Both tests failed to encounter oil and/or gas in commercial quantities and were subsequently plugged and abandoned.

RECEIVED
SEP 19 1955
U. S. GEOLOGICAL SURVEY
ROSWELL, NEW MEXICO

- 2 -

The Number 1 test, located in the SE/4 NW/4 Section 26, Township 18 South, Range 18 East, was drilled to a total depth of 6562 feet. Important geological formations were encountered at the following depths:

Glorietta - -	892 ft.	Pennsylvanian - -	4940 ft.
Drinkard - -	2340 ft.	Mississippian - -	6110 ft.
Abo - - - -	2990 ft.	Silurian - - - -	6538 ft.

All signs of oil and/or gas were adequately tested for possible commercial production; none was obtained.

Further geological studies were made during the period of the two extensions granted the unit. A second test well was drilled one mile west of the Number 1 test and in the SW/4 NE/4 Section 27, Township 18 South, Range 18 East. This test was drilled to a total depth of 6521 feet. Important geological formations were encountered at the following depths:

Glorietta - -	775 ft.	Pennsylvanian - -	4738 ft.
Drinkard - -	2202 ft.	Mississippian - -	6047 ft.
Abo - - - -	2865 ft.	Silurian - - - -	6511 ft.

All signs of oil and/or gas were adequately tested for possible commercial production; none was obtained.

Since the completion of the second test well, further geological investigations have been made. Information derived from the two test wells and from the geological studies indicate it is unlikely that oil and/or gas in commercial quantities exists within the confines of the Four Mile Unit Agreement. Therefore, the Unit Agreement has lost its value as an aid in the development of the petroleum possibilities of this area which prompts us to request its termination.

The concurrence of the other interested members is attached hereto and made a part of this request.

Date: _____

Attest: _____

Secretary

Address: P. O. Box 2239Tulsa 1, Oklahoma

KEWANEE OIL COMPANY (Unit Operator)

By _____

Vice President

KEWANEE OIL COMPANY

DATE Aug. 10, 1955

The Four Mile unit agreement, New Mexico; ³No. 14-08-001-322 is hereby terminated pursuant to the provisions of the last paragraph of section 20 thereof, effective as of September 1 1955

Approved

Date: SEP 29 1955

Thomas B. Nolan
Acting Director, United States Geological Survey

Date: Aug. 29, 1955

ES Walker
Commissioner of Public Lands
State of New Mexico

Date: 8 - 29. 55

W. B. Macey
Director, Oil Conservation Commission
State of New Mexico

SDS/bm
Encls. (3)



MALCO REFINERIES, INC.

P. O. Box 660

ROSWELL, NEW MEXICO

July 20, 1955

EXPLORATION AND PRODUCTION DIVISION
DONALD B. ANDERSON
VICE PRESIDENT

DEPARTMENT HEADS
GEOLOGICAL - PHIL D. HELMIG
LAND - H. E. HARRINGTON
PRODUCTION - J. R. MCINN

KEWANEE OIL CO.			
EXPLORATION DEPT.			
JUL 22 1955			
J.K.W.		W.E.R.	
D.E.R.		Drafting	
L.L.C.			
C.F.S.			
J.C.M.		FILE	

Kewanee Oil Company
P. O. Box 2239
Tulsa, Oklahoma

Attention: Mr. L. L. Crozier

Gentlemen:

We have been advised by Mr. Smith of your
Roswell office that it is your intent to termi-
nate the Four Mile Unit Agreement, Chaves County,
New Mexico.

Please be advised that Malco Refineries, Inc.
concur with you in this plan.

Very truly yours,

MALCO REFINERIES, INC.

H. E. Harrington
H. E. Harrington

HEH/yw



MALCO REFINERIES, INC.

P. O. Box 660

ROSWELL, NEW MEXICO

July 20, 1955

EXPLORATION AND PRODUCTION DIVISION
DONALD B. ANDERSON
VICE PRESIDENT

DEPARTMENT HEADS
GEOLOGICAL - PHIL D. HELMIG
LAND - H. E. HARRINGTON
PRODUCTION - J. R. McMENN

KEWANEE OIL CO.			
EXPLORATION DEPT.			
JUL 22 1955			
J.K.W.		W.E.H.	
D.E.R.		Drafting	
L.L.C.			
C.F.S.			
J.C.M.		FILE	

Kewanee Oil Company
P. O. Box 2239
Tulsa, Oklahoma

Attention: Mr. L. L. Crozier

Gentlemen:

We have been advised by Mr. Smith of your
Roswell office that it is your intent to termi-
nate the Four Mile Unit Agreement, Chaves County,
New Mexico.

Please be advised that Malco Refineries, Inc.
concur with you in this plan.

Very truly yours,

MALCO REFINERIES, INC.

H. E. Harrington
H. E. Harrington

HEH/yw

MAGNOLIA PETROLEUM COMPANY

A SOCONY-VACUUM COMPANY

LAND DEPARTMENT

P. O. BOX 900

DALLAS 21, TEXAS

July 26, 1955

S. A. THOMPSON
VICE-PRESIDENT AND MANAGER
HENRY C. CORTES
ASSISTANT MANAGER
PAUL E. HARALSON
SUPERINTENDENT

KEWANEE OIL CO.

EXPLORATION DEPT.

JUL 28 1955

J.K.W.	(2)	W.E.R.	
D.E.R.		Drafting	
L.L.C.			
C.F.G.			
J.C.M.		FILE	

Four Mile Unit
T 18 & 19S, R 18E
CHAVES COUNTY, New Mexico

Kewanee Oil Company
P. O. Box 2239
Tulsa, Oklahoma

Attention: L. L. Crozier

Gentlemen:

We are in receipt of your letter of July 19, 1955 requesting that the captioned unit be terminated at the earliest possible date. We concur with your recommendation for this termination and ask that you handle this to conclusion.

Yours very truly,

MAGNOLIA PETROLEUM COMPANY

S. A. Thompson
By: S. A. Thompson
Vice President *msj*

MSJ:ah

THE TEXAS COMPANY

TEXACO PETROLEUM PRODUCTS



PRODUCING DEPARTMENT
WEST TEXAS DIVISION

P. O. BOX 1720
FORT WORTH 1, TEXAS

August 1, 1955

105795 - State of New Mexico Lease E-24
Chaves County, New Mexico
FOUR MILE UNIT

KEWANEE OIL COMPANY
P. O. Box 2239
Tulsa 1, Oklahoma

ATTENTION: Mr. L. L. Crozier

Gentlemen:

Referring to your letter of July 19, 1955 with reference to our above Unit Agreement affecting the lands in Townships 18 and 19 South, Range 18 East in Chaves County, New Mexico.

It is agreeable to us that this Four Mile Unit Agreement be terminated and this letter may be considered by you as our agreement thereto.

Please advise when the Unit Agreement has been terminated so that we may drop our file on this Unit.

With best wishes, I remain

Yours very truly,

E. W. Lewis

Assistant to the Division Manager

EWL-WLH

cc - Magnolia Petroleum Co.,
Roswell, New Mexico

cc - Malco Refineries, Inc.
Roswell, New Mexico

KEWANEE OIL CO.			
EXPLORATION DEPT.			
AUG 2 1955			
J.K.W.		W.E.L.	
D.E.R.		Drafting	
L.L.C.			
C.F.G.			
J.C.M.		FILE	

RECEIVED
1955 AUG 10 10 30 AM
KEWANEE OIL COMPANY

P. O. Box 2289

TULSA 1, OKLAHOMA

August 10, 1955

Re: Request to Terminate the
Four Mile Unit Agreement
Chaves County, New Mexico
Department Contract No.

14-08-001-322

Dated March 15, 1951

Approved September 23, 1952

Director of the United States Geological Survey
Department of the Interior
Washington 25, D. C.

Commissioner of Public Lands
State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

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

Gentlemen:

Kewanee Oil Company, as operator of the captioned unit and with the concurrence of the other interested members of the unit, hereby requests termination of the Four Mile Unit Agreement. Such termination to be effective on the first day of the month in which this request is approved.

To exhibit that we have acted in good faith concerning the Unit Agreement, we submit the following resume of our efforts toward development of the oil and/or gas possibilities in this area:

Kewanee Oil Company, as operator and at Kewanee's sole expense, drilled two test wells within the confines of the unit. Both tests failed to encounter oil and/or gas in commercial quantities and were subsequently plugged and abandoned.

- 2 -

The Number 1 test, located in the SE/4 NW/4 Section 26, Township 18 South, Range 18 East, was drilled to a total depth of 6562 feet. Important geological formations were encountered at the following depths:

Glorietta - -	892 ft.	Pennsylvanian - -	4940 ft.
Drinkard - -	2340 ft.	Mississippian - -	6110 ft.
Abo - - - -	2990 ft.	Silurian - - - -	6538 ft.

All signs of oil and/or gas were adequately tested for possible commercial production; none was obtained.

Further geological studies were made during the period of the two extensions granted the unit. A second test well was drilled one mile west of the Number 1 test and in the SW/4 NE/4 Section 27, Township 18 South, Range 18 East. This test was drilled to a total depth of 6521 feet. Important geological formations were encountered at the following depths:

Glorietta - -	775 ft.	Pennsylvanian - -	4738 ft.
Drinkard - -	2202 ft.	Mississippian - -	6047 ft.
Abo - - - -	2865 ft.	Silurian - - - -	6511 ft.

All signs of oil and/or gas were adequately tested for possible commercial production; none was obtained.

Since the completion of the second test well, further geological investigations have been made. Information derived from the two test wells and from the geological studies indicate it is unlikely that oil and/or gas in commercial quantities exists within the confines of the Four Mile Unit Agreement. Therefore, the Unit Agreement has lost its value as an aid in the development of the petroleum possibilities of this area which prompts us to request its termination.

The concurrence of the other interested members is attached hereto and made a part of this request.

Date: AUG 15 1955

KEWANEE OIL COMPANY (Unit Operator)

Attest:

Percy Rowland
Secretary

By

John F. Church
Vice President

Address: P. O. Box 2239

Tulsa 1, Oklahoma

- 3 -

Approved

Date: _____

Director, United States Geological Survey

Date: _____

Commissioner of Public Lands
State of New Mexico

Date: 8-29-55

W B Macey

Director, Oil Conservation Commission
State of New Mexico

SDS/bm
Encls. (3)

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

August 29, 1955

file

**Kewanee Oil Company
P. O. Box 2239
Tulsa 1, Oklahoma**

**Re: Four Mile Unit
Chaves County, New Mexico
(Termination)**

Gentlemen:

This is to advise that your request to terminate the Four Mile Unit Agreement, dated August 10, 1955, has this date been approved by the New Mexico Oil Conservation Commission, subject to like approval by the Commissioner of Public Lands of the State of New Mexico and by the Director of the United States Geological Survey

One approved copy of the request is returned herewith.

Very truly yours,

WBM

**W. B. Macey
Secretary-Director**

WBM:jh

**cc: Commissioner of Public Lands, Santa Fe
U. S. Geological Survey, Roswell**

**C
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Y

TERMINATED

September 16, 1935

file

#264

United States Geological Survey
P. O. Box 6721
Roswell, New Mexico

Re: Request for Termination
Four Mile Unit Agreement

Attention: R. E. Canfield

Gentlemen:

As per request by Kewanee Oil Company we are enclosing five copies of request for termination of the above designated Unit Agreement.

All five requests have been approved by the Commissioner of Public Lands and the Director of the Oil Conservation Commission, effective date of termination to be August 1, 1935.

Very truly yours,

E. S. WALKER
Commissioner of Public Lands

cc: OCC-Santa Fe
Kewanee Oil Company

MR

U.S. DEPT. OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
WASHINGTON, D.C. 20240

September 19, 1955

file

Keweenaw Oil Company
P. O. Box 2239
Tulsa 1, Oklahoma

Re: Request to Terminate the
(Four Mile Unit Agreement)
Chaves County, New Mexico

Gentlemen:

We are enclosing approved copy of concurrence with your request that the above designated Unit Agreement be terminated, effective date according to your letter being August 1, 1955.

We would appreciate your notifying this Office upon your receipt of all signatures necessary for complete termination of this agreement.

Very truly yours,

E. S. WALKER
Commissioner of Public Lands

Encl.
cc: OCC-Santa Fe
USGS-Roswell
MGR:m

C
O
P
Y