

TO: OIL AND GAS CONSERVATION COMMISSION

RE: CASE NO. 377
ORDER NO. R-172

The undersigned protestants, John E. Hall and Allen M. Tonkin, hereby protest to the Commission the proposal for 320-acre spacing in the Gallegos Canyon Unit for the following reasons:

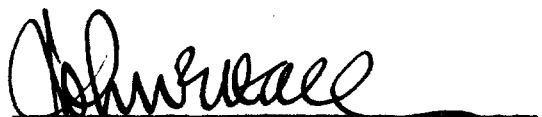

The protestant, John E. Hall, shows to the Commission that Sandia Corporation purchased a Tax Deed in 1939 to the $S\frac{1}{2}NW\frac{1}{4}$ and the $NE\frac{1}{4}SW\frac{1}{4}$ and the $W\frac{1}{2}SE\frac{1}{4}$ of Section 18, Township 29 North, Range 12 West, being in all 200 acres; that said lands had for sometime prior thereto been under common ownership and assessed for taxation on that basis, and that he executed a Producers Form 88 Lease on October 5, 1948, to Stanolind Oil and Gas Company, who in turn assigned said Lease to Benson and Montin, the present operators of the Gallegos Canyon Unit; that said Lease was for five years and expires on October 5, 1953; that thereafter on the 15th day of October, 1948, he sold by Warranty Deed the $W\frac{1}{2}SE\frac{1}{4}$ of Section 18, Township 29 North, Range 12 West, being the easterly 80 acres, to Allen M. Tonkin and Nancy P. Tonkin, subject to said Oil and Gas Lease, and that it is by reason of said interest that the other protestant, Allen M. Tonkin, joins herein.

That thereafter Benson and Montin attempted to unitize the lands of these protestants into their unit, and these protestants refused to join said unit agreement for the reason that they did not feel that it was to their benefit to do so, as by unitizing the operator could perpetuate said Lease without prompt development of the lands of these protestants and without paying a bonus for a renewal of the Lease, so that the lands of these protestants are not involved in said unit operation.

If the operators have not drilled said lands by October 5, 1953, these protestants will then own 8/8ths of all the oil and gas laying under the aforescribed lands, which comprise a total of 200 acres, and that in the event the Lease expires these protestants desire to make joint use of their lands by drilling a well upon some portion of the same, and are of the opinion that as to them any order of this Commission which would deny them the right to drill their lands and produce the oil and gas thereunder, in view of the fact that title to the tract was acquired prior to the current boom in said area and prior to the time that this Commission sought to exercise any jurisdiction over said lands, would be unenforceable as tending to deprive these protestants of their property without due process of law.

That the West Kutz Field, a similar area has been developed on spacing of which we are entitled to 160 acres, and that the 320-acre spacing rule will only be of assistance to the unit operator and would tend to diminish the returns to the royalty owners in the Gallegos Canyon Unit. If the reservoir between Gallegos Canyon and West Kutz Area should be found to be inter-connected, much of the production that could be extracted in Gallegos Canyon would eventually be taken out of the West Kutz wells.

THEREFORE, these protestants protest against the request of the unit operator that Order R-172 of Case 377 made in June, 1952, be continued, and recommend that said order be rescinded by the Commission.

TO:

THE STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

In the Matter of the Application
of Benson & Montin for an order
establishing uniform 320 acre spac-
ing of gas wells drilled to the
Pictured Cliffs formation of the
Gallegos Canyon Unit area and cer-
tain lands adjacent thereto in Town-
ship 28 and 29, North Ranges 12 and
13 West, N.M.P.M., San Juan County,
New Mexico

Re: Case No. 377.

P E T I T I O N .

We, the undersigned land owners of record within the above described area and adjacent lands thereto, strongly oppose the request for 320 acre spacing of Gas Wells drilled to the Pictured Cliffs formation as requested by Benson and Montin.

We state that not enough drilling has been done to justify a spacing of 320 acres for each gas well, and that many small land owners and Royalty owners will be deprived of their just and fair share of gas and oil under such lands.

We strongly oppose the 320 acre spacing, and respectfully request the New Mexico Oil Conservation Commission to retain not more than the present 160 acre spacing of gas wells to the Pictured Cliffs formation, and direct that this Petition be admitted as evidence at the hearing on June 19, 1952, as our valid protest against such proposed spacing regulations.

| Date | Name | Address | Sec. | Twp. | Range | Acre |
|--------------|---------------------|-----------------|----------|------|-------|------|
| 10 June 1952 | C. J. Burnham | Lemington N Mex | 14 | 29 | 13 | 26 |
| " | Frank Paulson | Lemington | 21 | 29 | 13 | 120 |
| " | Howard Kippner | " | 24 | 29 | 13 | 133 |
| " | Stuart Baker | " | 24 | 29 | 13 | 120 |
| " | H. H. Smith | " | 24 | 29 | 13 | 125 |
| " | Joe Killen | " | 24 | 29 | 13 | 40 |
| " | W. C. Hush | " | 20 | 29 | 12 | 200 |
| " | J. T. Brimhall | " | 28 | 29 | 12 | 240 |
| " | M. H. Stark | " | 28 | " | " | 160 |
| " | John Doak | " | 26 | 29 | 12 | 360 |
| " | Burrell H. Crawford | " | 24-25-26 | 29 | 12 | |

Date

Name

Address

Sec. Twp. Range

Acres

June 10 1952 Milton Thomas Farmington NM 24-25-29-12 68

June 10 1952 Alejandro Archibago Farmington NM Bul 3 B 218-41

June 10 1952 Robert B. White Farmington NM 19 30 29-11-76

June 10-52 Nerine Bailey Farmington NM 24-25-29-12 (15)

J E Crawford Farmington NM 23 B-24

Anthony J. Smith 24 29 13 75

John A. Mitchell 24 29 13

J B Brown Farmington NM. 14 29 60

R R Roberts Farmington NM 14.29. 60

J B Barrington " 35-29-12 180

M B. Beaumont. } 180 acres

Chapman } 27-29-12

C. R. Davis 11-29-13-40

J L Smith (Sec 21 & 16, 22, 17-

T 29N R 13W - 160A

J L Crawford Albuquerque NM.

Sec 14 & 15 T 29N 13W 73 acres

Lloyd D. Locke and Lloyd B. Taylor

ESCROW INSTRUCTIONS.

The First National Bank of Farmington
Farmington, New Mexico

Gentlemen:

We hand you herewith oil and gas leases signed, executed and acknowledged by the several undersigned Lessors and by Lloyd D. Locke and Lloyd B. Taylor, dba Locke-Taylor Drilling Company, Lessees, which leases are to be held in escrow by you and handled as hereinafter instructed.

YOU ARE INSTRUCTED AS FOLLOWS:

I.

1. That the undersigned Lloyd D. Locke and Lloyd B. Taylor, co-partners, dba Locke-Taylor Drilling Company, Hereby agree to commence the actual drilling of a well on some part of the lands covered by one or more of the hereinabove mentioned oil and gas leases which are handed you herewith, on or before sixty (60) days from and after the date of the deposit of said leases herewith. Said well to be commenced with drilling rig, tools, machinery, equipment and casing sufficient and adequate in every respect to drill into and to test the Pictured Cliff formation for the production of oil or gas. The said Lessees shall diligently and continuously conduct drilling operations on said well until the same shall have been drilled into the Pictured Cliff formation, or a formation which produces oil or gas in commercial quantities at a lesser depth (it being estimated by the parties hereto that said formation carries gas only and does not produce oil). In the event the said well is commenced within the aforesaid sixty-day period, and is drilled into the Pictured Cliff formation, or a formation which produces oil or gas in commercial quantities, and said formation tested for the production of gas, and such well does produce oil or gas in commercial quantities in such formation, then and in such event you are to deliver the lease or leases covering the quarter section (160) (acres more or less) in which said well is drilled, to the said Lessees.

2. In the event said first well does not produce oil or gas in commercial quantities in the Pictured Cliff formation, or a formation at a lesser depth, then and in such event you shall continue to hold said lease in escrow to be delivered as hereinafter more specifically provided.

3. In the event the said Lessees neglect, fail, or refuse to commence said first well within the aforesaid sixty-day period, or neglect, fail, or refuse to drill said well to the Pictured Cliff formation, or a formation which produces oil or gas in commercial quantities at a lesser depth, and test the same for production, as hereinabove provided, then and in such event you shall re-deliver all of the leases of the several respective Lessors, handed you herewith, whose names are signed hereto below, to each respective Lessor who executed any particular lease, or to the agent or successor in interest of each respective Lessor, who is in writing designated by such Lessor.

II.

1. That on or before thirty (30) days from and after said first well has been drilled, tested, and placed in condition ready for delivery of production to the pipe line, if commercial production

be obtained, or within thirty (30) days after it is determined that such first well is a dry hole, said Lessees shall commence the drilling of a second well on another location on land covered by one of the said leases, and shall continuously and diligently drill the same until such well shall have been drilled into the Pictured Cliff formation, or a formation which produces oil or gas at a lesser depth, and such formation tested for the production of oil and gas. If said second well produces oil or gas in commercial quantities, the leases to the lands embraced in the quarter section (160 acres more or less) on which said well is drilled shall be delivered to said Lessees when said second well is placed in condition to connect to the pipe line for the sale of gas.

2. In the event said second well does not produce oil or gas in commercial quantities in the Pictured Cliff formation, or commercial production in a formation of lesser depth, then and in such event you shall continue to hold said lease in escrow to be delivered as hereinafter more specifically provided.

3. In the event the said Lessees neglect, fail, or refuse to commence said second well within the aforesaid thirty (30) day period, or neglect, fail, or refuse to drill said well to the Pictured Cliff formation and test the same for production, as hereinabove provided, then and in such event you shall re-deliver all of the leases of the several respective Lessors, handed you herewith, whose names are signed hereto below, to each respective Lessor who executed any particular lease, or to the agent or successor in interest of each respective Lessor, who is in writing designated by such Lessor.

III.

1. Said Lessors agree to drill a total of fifteen (15) wells on lands embraced in the above mentioned leases, and in the several sections hereinafter described, in the numbers herein named for each particular section, subject to the exceptions hereinafter specifically contained relative to surrender or abandonment of the said leases, to-wit:

Township 29 North, Range 13 West, N. M. P. M.

Section 22 - four (4) wells to be drilled;
Section 21 - four (4) wells to be drilled;
Section 14 - four (4) wells to be drilled;
Section 15 - two (2) wells to be drilled;
Section 23 - one (1) well to be drilled.

2. Said Lessees shall have the right to abandon the aforesaid drilling program in the event none of the first three wells drilled by the Lessees are producers of oil or gas in commercial quantities and of commercial quality. Such abandonment to be in writing, signed by said Lessees or either of them.

3. In the event said Lessees or either of them neglect, fail, or refuse to drill the said 15 wells in consecutive order within the time hereinafter specified, then such neglect, failure, or refusal shall be deemed ipse facto to be an abandonment of the said drilling program, and upon demand or request of the said Lessors, or either or any of them, in writing, made and signed by such Lessor or Lessors, and copy thereof delivered to said Lessees, or either of them, and original or copy thereof delivered to the said bank as Escrow Agent of the parties hereto, the said bank forthwith shall deliver to the respective Lessors the lease or leases of said Lessors deposited in escrow herewith.

4. It is specifically understood and agreed by and between said Lessors and said Lessees, and the said bank hereby is so instructed, that in event abandonment, either on the part of said Lessees or abandonment by declaration of Lessors, or either or any of them, as provided in paragraphs 2 and 3 of this section, the said bank shall redeliver to the respective Lessors the lease executed by respective Lessors; provided, however, that in the event a well producing oil or gas in commercial quantities shall have been drilled by said Lessees, the lease or leases under which such commercial well or wells shall have been drilled shall be delivered to said Lessees, or either of them. It is further understood and agreed by and between parties hereto that where two or more tracts of land embraced in two or more of said respective leases shall have been unitized or pooled into a 160 acre drilling block or unit, then all of the leases embraced in such drilling unit or block on which a well is obtained shall be deemed to have a producing well on all of the lands embraced therein (whether the land on which such well is drilled by the Lessees is covered by one of the leases deposited in Escrow herein, or under separate lease from the owner of said land to the Lessees herein) and the lease or leases covering lands embraced in such unit or drilling block shall be delivered to said Lessees, or either of them.

5. Said Lessees agree that they will successively drill the 15 wells hereinabove mentioned to the Pictured Cliff formation, or other formation which produces oil or gas in commercial quantities at a lesser depth, and test the same for production in said formation; that each of said wells shall be successively drilled, the drilling on each successive well to be commenced on or before thirty (30) days from and after the last preceding well shall have been drilled, tested, and placed in condition to deliver gas in the pipe line for sale. Such successive wells to be commenced and drilled with good and adequate drilling rig or equipment, with adequate tools and casing, and operations thereon diligently and continuously prosecuted until such well shall have been drilled into the Pictured Cliff formation, or a formation which produces oil or gas in commercial quantities, at a lesser depth, and said formation tested for production of oil or gas.

IV.

It is further agreed by the said Lessors and said Lessees that in the event any of the said 15 wells provided to be drilled to the Pictured Cliff formation are non-commercial, the leases to the lands on which such non-commercial wells shall have been drilled shall be held in escrow by said bank for the period of twelve (12) months, from and after the completion of the last of said 15 wells. Within the period of twelve (12) months said Lessees shall have the right and option to commence one or more wells to be drilled to the Mesa Verde formation. Such well or wells to the Mesa Verde formation shall be continuously and diligently drilled by said Lessees until said Mesa Verde formation shall have been drilled into and fully tested for the production of either oil or gas. If said Lessees neglect, fail, or refuse to commence the drilling of such well to the Mesa Verde formation within said period of 12 months, then and in such event the said bank shall re-deliver to the said respective Lessors the leases covering the lands of such respective Lessors. In the event commercial production of either oil or gas is obtained in a well drilled to the Mesa Verde formation then all of the leases then remaining in the hands of said bank shall be delivered to said Lessees, or either of them.

V.

It is understood and agreed by and between said Lessors and said Lessees, that the wells hereinabove required to be drilled shall be drill-

ed in such drilling units, or pooling of acreage as may be required to comply with the regulations promulgated by the oil conservation commission of the State of New Mexico, and that where it becomes necessary to group the lands in two or more leases into one drilling unit in order to comply with said regulations, then all of the leases covering the lands embraced in such drilling unit shall be deemed to be validated and such leases are to be delivered to said Lessees, or either of them, to the same extent as if the lands embraced in the several leases covering lands in each respective unit shall have been validated by drilling on the lands covered by each of such respective leases.

VI.

It is mutually understood and agreed by and between said Lessors and said Lessees, that time is of the essence of these instructions and of the agreement between said Lessors and said Lessees and of each and every part and paragraph thereof; and that this agreement shall extend to and be binding upon the heirs, executors, administrators and assigns of all of the parties hereto.

VII.

It is further understood and agreed by and between said Lessors and said Lessees, and said escrow bank hereby is so instructed, that in the event there is any disagreement or dispute between said Lessors, or either of them, and said Lessees, or either of them, as to whether any term or condition of these instructions and the agreement embraced herein has been complied with by said Lessees relative to the date of commencement of drilling operations, the prosecution thereof, the tools and equipment used by said Lessees, the said escrow bank or either or any of said Lessors or said Lessees may call upon the Oil and Gas Inspector appointed by the Oil Conservation Commission of the State of New Mexico, for the territory or area embracing said San Juan County, to deliver to said escrow bank in writing, signed by such Oil and Gas Inspector, the certificate of such inspector as to the compliance or non-compliance of said Lessees with the particular question about which such disagreement or dispute arises, and such certificate from said Oil and Gas Inspector shall be final and conclusive as to such matters as he shall certify to said escrow bank, and the same shall be binding upon all of the Lessors and Lessees, who are parties hereto.

VIII.

It is specifically understood by and between said Lessors and said Lessees, and each and all of them, and said Escrow bank hereby is so instructed, that in the event forfeiture is declared by said Lessors, or either or any of them, for the neglect or failure of said Lessees to comply with the requirements herein, the Lessor or Lessors declaring such forfeiture shall serve a notice in writing, signed by the person or persons making such declaration upon the said Escrow bank, together with a copy of such notice upon said Lessees, or either of them, by registered mail, postage prepaid, and addressed to said Lessee or Lessees at Farmington, New Mexico; and thereupon said Lessee or Lessees shall have the right to remove the cause for which such declaration of forfeiture is made within said period of thirty (30) days, and if such cause is not removed within said period of thirty (30) days, the said Escrow bank shall redeliver the leases delivered herewith to the Lessors in accordance with the provisions hereof relating to the neglect or failure upon which such declaration of forfeiture is made.

IX.

These escrow instructions may be delivered to the bank on a particular date, and any lease or leases delivered to the said bank by the Lessors of the lands embraced in the hereinabove mentioned sections of land shall be governed by these instructions regardless of the date of delivery of the lease to the bank. The signature of the Lessors delivering or causing to be delivered any lease to said escrow bank, and the signing of these instructions to said bank by such Lessor or Lessors automatically shall make such Lessors parties to the agreement regardless of date of delivery of the leases.

X.

It is further understood and agreed by and between said Lessors and each and all of them and said Lessees that all obligations herein required of said Lessees shall be suspended while, but only so long as, Lessees are prevented from complying with the requirements hereof, in whole or in part, by strikes, lockouts, acts of God, unavoidable accidents, uncontrollable delays in transportation, inability to obtain necessary materials in the open market by reason of state or federal laws or regulations, any state or federal law, regulations or other matter (expressly excluding financial matters) beyond the reasonable control of said Lessee, whether similar to the matters herein specifically enumerated or not; provided, however, that performance shall be resumed as soon as is reasonably possible after such cause or causes of interruption or interruptions shall have been removed, and provided further that said Lessees shall not be required against their will to adjust any labor dispute or to question the validity of or to refrain from or judicially test the validity of any state or federal law or regulation.

XI.

It is understood and agreed by and between the parties, hereto, and said Escrow bank is so instructed, that in the event less than the owners of three-fourths (3/4ths) of all of the lands embraced in the above mentioned five sections of land, neglect, fail, or refuse to execute leases to said Lessees covering said proportionate amount of land in each section, then said Lessees shall have the right and option to refuse to commence the drilling obligations hereunder, which refusal shall be delivered to said Escrow bank in writing signed by said Lessees, or either of them, and thereupon said bank forthwith may redeliver all of the leases deposited herein to the respective lessors.

IN WITNESS WHEREOF, the undersigned parties hereto have hereunto set their hands on the dates written opposite their respective names.

DATE

LOCKE-TAYLOR DRILLING COMPANY

Nov. 13 1951

By

Royd H. Locke

Nov 13, 1951

By

Samuel B. Taylor
LESSEES

DATE

LESSORS

Nov. 14, 1951

Nov 14 - 1951

Nov. 15 - 1951

Vergie Roberts

Ray R. Roberts

Richard T. Nelson

DATE

LESSORS

| | |
|----------------------|--|
| <u>Nov. 15, 1951</u> | <u>Thema W. Nelson</u> |
| <u>Nov. 17, 1951</u> | <u>John L. Nelson</u> |
| <u>Nov. 17, 1951</u> | <u>John L. Nelson</u> |
| <u>Nov. 19, 1951</u> | <u>Bernice E. Austin</u> |
| <u>Nov. 19, 1951</u> | <u>Reith Austin</u> |
| <u>Nov. 21, 1951</u> | <u>John J. Graham</u> |
| <u>Nov. 21, 1951</u> | <u>Keray L. Graham</u> |
| <u>Nov. 21, 1951</u> | <u>J. L. Smith</u> |
| <u>Nov. 21, 1951</u> | <u>Anna Everett Smith</u> |
| <u>Nov. 26, 1951</u> | <u>D. W. Brown</u> |
| <u>Nov. 26, 1951</u> | <u>Emma Belle Brown</u> |
| <u>Nov. 26, 1951</u> | <u>William L. McGee Jr.</u> |
| <u>Nov. 26, 1951</u> | <u>William McGee</u> |
| <u>Nov. 26, 1951</u> | <u>Mollie Bramlette</u> |
| <u>Nov. 26, 1951</u> | <u>Richard H. Bramlette</u> |
| <u>Nov. 26, 1951</u> | <u>Mrs. B. R. Gerard Lucie A. Gerard</u> |
| <u>Nov. 26, 1951</u> | <u>Bernard P. Gerard</u> |
| <u>Nov. 27, 1951</u> | <u>Stella Easley</u> |
| <u>Nov. 27, 1951</u> | <u>Oliver W. Harris</u> |
| <u>Nov. 27, 1951</u> | <u>Leta C. Harris</u> |
| <u>Nov. 28, 1951</u> | <u>Edward Pengilly</u> |
| <u>Nov. 28, 1951</u> | <u>Leta Hilda Pengilly</u> |

DATE

LESSORS

| | |
|------------------------------------|--------------------|
| Nov 29 - 51 | L. K. Hazen |
| Nov 29 - 51 | Gladys D. Hazen |
| Nov 29 - 51 | J. C. Schmor |
| Nov 29 - 51 | Anna Irene Schmor |
| Nov 30 - 51 | B. C. Harber |
| Nov 30 - 51 | Vesta Lee Harber |
| Dec. Dec 1-51 Feb. 8 51 | Joe R. Garcia |
| Feb 8 Feb. 1. 1953 | Renee Garcia |
| Dec 4, 1951 | R. D. Wickoff |
| Dec. 4, 1951 | Bessie W. Wickoff |
| Dec 5 / 1951 | Bertha Volgamore |
| Dec 5 1951 | C. R. Volgamore |
| Dec. 6, 1951 | Herschell Hatton |
| Dec. 6, 1951 | May E. Hatton |
| Dec. 6, 1951 | Francis Owen Busch |
| Dec. 6, 1951 | Altha M. Busch |
| Dec. 7 - 1951 | J. W. Easley |
| Dec. 7, 1951 | Annie Easley |
| Dec 8 1951 | Frank Poulson |
| Dec 8 1951 | Velma C. Poulson |
| Dec 13, 1951 | Eula L. Allen |
| Dec. 13, 1951 | William S. Allen |
| Dec. 13, 1951 | Melba S. Allen |

DATE

LESSORS

1/29/511/29/511/2/521/3/521/16/521-5-521-5-521-8-521-7-521-7-521-12-521-12-521-16-521-19-521-19-522-1-522-1-522-1-522-1-522-2-522-2-522-2-522-5-52~~May S. Alford~~May S. AlfordDrene C. ChristensenJOH DickelJ P PurcellEdna RobertsH. R. RobertsLaugher L. Christensen"C.C." ChristensenMary E. ChristensenAlda HendersonRobert HendersonHattil B. PurcellLorif E. KeenanMadeline S. KeenanDorothy E. BurnhamJ. J. BurnhamGeo L BratschiEmma R BratschiErnest A. JohnsonMaryille Mae JohnsonVirgil E. BulledgeThelma P. Bulledge

DATE

2/9/52

2/9/52

2/12/52

3/25/52

LESSORS

James M. Sinner

Thelma D. Sinner

Martha G. Head

By Dorothy Head Attorney in fact

Town of Farmington
B. Walter Gibson, Mayor

STATE OF New Mexico
COUNTY OF San Juan

Before me, the undersigned, a Notary Public in and for the said County and State, on the 14th day of November, 1951, personally appeared Lloyd D. Locke and Lloyd B. Taylor to me known to be the identical persons who executed the within and foregoing instrument, and acknowledged to me that they executed the same as their free and voluntary act and deed, for the uses and purposes therein set forth.

My Commission Expires:

March 1, 1955.

Gordon G. Woods
Notary Public

STATE OF NEW MEXICO
COUNTY OF SAN JUAN

Before me, the undersigned, a Notary Public in and for the said County and State, on the 14 day of November, 1951, personally appeared Vergie Roberts and Ray R. Roberts, husband and wife, to me known to be the identical persons who executed the within and foregoing instrument, and acknowledged to me that they executed the same as their free and voluntary act and deed, for the uses and purposes therein set forth.

My Commission Expires:

My Commission Expires Feb. 24, 1952

Willis Martin
Notary Public

STATE OF NEW MEXICO
COUNTY OF SAN JUAN

Before me, the undersigned, a Notary Public in and for the said County and State, on the 15 day of November, 1951, personally appeared Richard T. Nelson and Thema W. Nelson, husband and wife, to me known to be the identical persons who executed the within and foregoing instrument, and acknowledged to me that they executed the same as their free and voluntary act and deed, for the uses and purposes therein set forth.

My Commission Expires:

February 24, 1952

Willis Martin
Notary Public

STATE OF NEW MEXICO
COUNTY OF SAN JUAN

Before me, the undersigned, a Notary Public in and for the said County and State, on the 17 day of November, 1951, personally appeared Arthur Coy and Ruth Coy, husband and wife, to me known to be the identical persons who executed the within and foregoing instrument, and acknowledged to me that they executed the same as their free and voluntary act and deed, for the uses and purposes therein set forth.

My Commission Expires:

February 24, 1952.

Willis Martin
Notary Public

STATE OF NEW MEXICO

COUNTY OF SAN JUAN

Before me, the undersigned, a Notary Public in and for the said County and State, on the 19 day of November, 1951, personally appeared Bernie E. Dustin and Ruth Dustin, husband and wife, (also known as Burnie E. Dustin) to me known to be the identical person who executed the within and foregoing instrument, and acknowledged to me that they executed the same as their free and voluntary act and deed, for the uses and purposes therein set forth.

My Commission Expires:

February 24, 1952.

Willis Martin
Notary Public

STATE OF NEW MEXICO

COUNTY OF SAN JUAN

Before me, the undersigned, a Notary Public in and for the said County and State, on the 21 day of November, 1951, personally appeared John J. Graham and Daisy L. Graham, husband and wife, to me known to be the identical persons who executed the within and foregoing instrument, and acknowledged to me that they executed the same as their free and voluntary act and deed, for the uses and purposes therein set forth.

My Commission Expires:

February 24, 1952

Willis Martin
Notary Public

STATE OF NEW MEXICO

COUNTY OF SAN JUAN

Before me, the undersigned, a Notary Public in and for the said County and State, on the 21 day of November, 1951, personally appeared T. L. Smith and Anna Everett Smith, husband and wife, to me known to be the identical persons who executed the within and foregoing instrument, and acknowledged to me that they executed the same as their free and voluntary act and deed, for the uses and purposes therein set forth.

My Commission Expires:

February 24, 1952.

Willis Martin
Notary Public

STATE OF NEW MEXICO

COUNTY OF SAN JUAN

Before me, the undersigned, a Notary Public in and for the said County and State, on the 26th day of November, 1951, personally appeared D. W. Brown and Emma Belle Brown, husband and wife, to me known to be the identical persons who executed the within and foregoing instrument, and acknowledged to me that they executed the same as their free and voluntary act and deed, for the uses and purposes therein set forth.

My Commission Expires:

February 24, 1952

Willis Martin
Notary Public

STATE OF NEW MEXICO

COUNTY OF SAN JUAN

Before me, the undersigned, a Notary Public in and for the said County and State, on the 26th day of November, 1951, personally appeared William L. McGee, a widower, and William L. McGee, Jr., a single person, to me known to be the identical persons who executed the within and foregoing instrument, and acknowledged to me that they executed the same as their free and voluntary act and deed, for the uses and purposes therein set forth.

My Commission Expires:

February 24, 1952

Willis Martin
Notary Public

STATE OF NEW MEXICO

COUNTY OF SAN JUAN

Before me, the undersigned, a Notary Public in and for the said County and State, on the 26th day of November, 1951, personally appeared Richard H. Bramlette and Mollie Bramlette, husband and wife, to me known to be the identical persons who executed the within and foregoing instrument, and acknowledged to me that they executed the same as their free and voluntary act and deed, for the uses and purposes therein set forth.

My Commission Expires:

February 24, 1952.

Willis Martin
Notary Public

STATE OF NEW MEXICO

COUNTY OF SAN JUAN

Before me, the undersigned, a Notary Public in and for the said County and State, on the 26th day of November, 1951, personally appeared Bernard R. Gerard and Susie A. Gerard, husband and wife, to me known to be the identical persons who executed the within and foregoing instrument, and acknowledged to me that they executed the same as their free and voluntary act and deed, for the uses and purposes therein set forth.

My Commission Expires:

February 24, 1952.

Willis Martin
Notary Public

STATE OF NEW MEXICO

COUNTY OF SAN JUAN

Before me, the undersigned, a Notary Public in and for the said County and State, on the 27th day of November, 1951, personally appeared Stella Easley, a widow, to me known to be the identical person who executed the within and foregoing instrument, and acknowledged to me that she executed the same as her free and voluntary act and deed, for the uses and purposes therein set forth.

My Commission Expires:

February 24, 1952

Willis Martin
Notary Public

STATE OF NEW MEXICO

COUNTY OF SAN JUAN

Before me, the undersigned, a Notary Public in and for the said County and State, on the 27 day of November, 1951, personally appeared Oliver W. Harris and Leta C. Harris, husband and wife to me known to be the identical persons who executed the within and foregoing instrument, and acknowledged to me that they executed the same as their free and voluntary act and deed, for the uses and purposes therein set forth.

My Commission Expires:

February 24, 1952

Willis Martin
Notary Public

STATE OF NEW MEXICO

COUNTY OF SAN JUAN

Before me, the undersigned, a Notary Public in and for the said County and State, on the 28th day of November, 1951, personally appeared Edward Pengilley and Teleta Hilda Pengilley, husband and wife to me known to be the identical persons who executed the within and foregoing instrument, and acknowledged to me that they executed the same as their free and voluntary act and deed, for the uses and purposes therein set forth.

My Commission Expires:

February 24, 1952

Willis Martin
Notary Public

STATE OF NEW MEXICO

COUNTY OF SAN JUAN

Before me, the undersigned, a Notary Public in and for the said County and State, on the 29th day of November, 1951, personally appeared G. K. Hazen and Gladys D. Hazen, husband and wife to me known to be the identical persons who executed the within and foregoing instrument, and acknowledged to me that they executed the same as their free and voluntary act and deed, for the uses and purposes therein set forth.

My Commission Expires:

February 24, 1952

Willis Martin
Notary Public

STATE OF NEW MEXICO

COUNTY OF SAN JUAN

Before me, the undersigned, a Notary Public in and for the said County and State, on the 29th day of November, 1951, personally appeared R. C. Schnorr and Anna Irene Schnorr, husband and wife to me known to be the identical persons who executed the within and foregoing instrument, and acknowledged to me that they executed the same as their free and voluntary act and deed, for the uses and purposes therein set forth.

My Commission Expires:

February 24, 1952

Willis Martin
Notary Public

STATE OF NEW MEXICO

COUNTY OF SAN JUAN

Before me, the undersigned, a Notary Public in and for the said County and State, on the 30 day of November, 1951, personally appeared B. C. Harber and Vesta Lee Harber, husband and wife, to me known to be the identical persons who executed the within and foregoing instrument, and acknowledged to me that they executed the same as their free and voluntary act and deed, for the uses and purposes therein set forth.

My Commission Expires:

February 24, 1952

Willis Martin
Notary Public

STATE OF NEW MEXICO

COUNTY OF SAN JUAN

Before me, the undersigned, a Notary Public in and for the said County and State, on the 5th day of December, 1951, personally appeared C. R. Volgamore and Bertha Volgamore, his wife, to me known to be the identical persons who executed the within and foregoing instrument, and acknowledged to me that they executed the same as their free and voluntary act and deed, for the uses and purposes therein set forth.

My Commission Expires:

February 24, 1952

Willis Martin
Notary Public

STATE OF NEW MEXICO

COUNTY OF SAN JUAN

Before me, the undersigned, a Notary Public in and for the said County and State, on the 4 day of December, 1951, personally appeared R. D. WICKOFF and BESSIE V. WICKOFF, husband and wife, to me known to be the identical persons who executed the within and foregoing instrument, and acknowledged to me that they executed the same as their free and voluntary act and deed, for the uses and purposes therein set forth.

My Commission Expires:

February 24, 1952

Willis Martin
Notary Public

STATE OF NEW MEXICO

COUNTY OF SAN JUAN

Before me, the undersigned, a Notary Public in and for the said County and State, on the 6th day of December, 1951, personally appeared Herschell Hatton and May E. Hatton, his wife, to me known to be the identical persons who executed the within and foregoing instrument, and acknowledged to me that they executed the same as their free and voluntary act and deed, for the uses and purposes therein set forth.

My Commission Expires:

February 24, 1952

Willis Martin
Notary Public

STATE OF NEW MEXICO

COUNTY OF SAN JUAN

Before me, the undersigned, a Notary Public in and for the said County and State, on the 6 day of December, 1951, personally appeared Francis Owen Busch and Altha M. Busch, his wife to me known to be the identical person who executed the within and foregoing instrument, and acknowledged to me that they executed the same as their free and voluntary act and deed, for the uses and purposes therein set forth.

My Commission Expires:

February 24, 1952

Willis Martin
Notary Public

STATE OF NEW MEXICO

COUNTY OF SAN JUAN

Before me, the undersigned, a Notary Public in and for the said County and State, on the 7 day of December, 1951, personally appeared J. W. Easley and Annie Easley, his wife to me known to be the identical person who executed the within and foregoing instrument, and acknowledged to me that they executed the same as their free and voluntary act and deed, for the uses and purposes therein set forth.

My Commission Expires:

February 24, 1952

Willis Martin
Notary Public

STATE OF NEW MEXICO

COUNTY OF SAN JUAN

Before me, the undersigned, a Notary Public in and for the said County and State, on the 8th day of December, 1951, personally appeared Frank Poulson and Velma C. Poulson, his wife to me known to be the identical person who executed the within and foregoing instrument, and acknowledged to me that they executed the same as their free and voluntary act and deed, for the uses and purposes therein set forth.

My Commission Expires:

February 24, 1952

Willis Martin
Notary Public

STATE OF NEW MEXICO

COUNTY OF SAN JUAN

Before me, the undersigned, a Notary Public in and for the said County and State, on the 13th day of December, 1951, personally appeared William S. Allen and Melba J. Allen, his wife, and Melba J. Allen, a widow to me known to be the identical person who executed the within and foregoing instrument, and acknowledged to me that they executed the same as their free and voluntary act and deed, for the uses and purposes therein set forth.

My Commission Expires:

February 24, 1952

Willis Martin
Notary Public

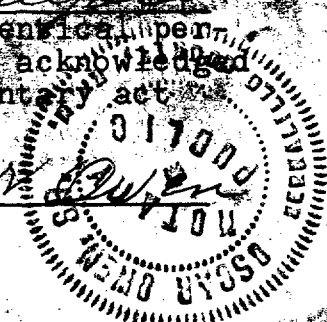
STATE OF New Mexico
COUNTY OF Dona Ana

Before me, the undersigned, a Notary Public in and for the said County and State, on the 29th day of December, 1951, personally appeared E. L. Alfred and Mary J. Alfred to me known to be the identical person who executed the within and foregoing instrument, and acknowledged to me that they executed the same as their free and voluntary act and deed, for the uses and purposes therein set forth.

My Commission Expires:

Nov 1 - 1953

Oscar B. Brown
Notary Public



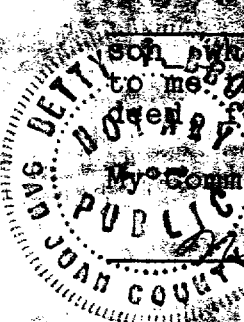
STATE OF New Mexico
COUNTY OF San Juan

Before me, the undersigned, a Notary Public in and for the said County and State, on the 3rd day of January, 1952, personally appeared J. H. Dickey to me known to be the identical person who executed the within and foregoing instrument, and acknowledged to me that he executed the same as his free and voluntary act and deed, for the uses and purposes therein set forth.

My Commission Expires:

March 30, 1955

Betty J. Brown
Notary Public



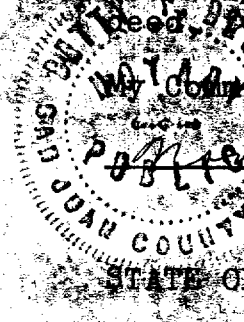
STATE OF New Mexico
COUNTY OF San Juan

Before me, the undersigned, a Notary Public in and for the said County and State, on the 5th day of January, 1952, personally appeared Edna Roberts & J. H. Roberts to me known to be the identical person who executed the within and foregoing instrument, and acknowledged to me that they executed the same as their free and voluntary act and deed, for the uses and purposes therein set forth.

My Commission Expires:

March 30, 1955

Betty J. Brown
Notary Public



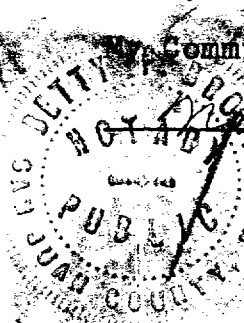
STATE OF New Mexico
COUNTY OF San Juan

Before me, the undersigned, a Notary Public in and for the said County and State, on the 16th day of January, 1952, personally appeared J. D. Purcell & Hattie B. Purcell to me known to be the identical person who executed the within and foregoing instrument, and acknowledged to me that they executed the same as their free and voluntary act and deed, for the uses and purposes therein set forth.

My Commission Expires:

March 30, 1955

Betty J. Brown
Notary Public



Purcell

STATE OF New Mexico

COUNTY OF San Juan

Before me, the undersigned, a Notary Public in and for the said County and State, on the 7th day of January, 1952, personally appeared C. C. Christensen & Mary E. Christensen to me known to be the identical persons who executed the within and foregoing instrument, and acknowledged to me that they executed the same as their free and voluntary act and deed, for the uses and purposes therein set forth.

My Commission Expires:

Betty J. Brown
Notary Public

Nov 30, 1955

STATE OF New Mexico

COUNTY OF San Juan

Before me, the undersigned, a Notary Public in and for the said County and State, on the 7th day of January, 1952, personally appeared Irene C. Christensen & Vaughan L. Christensen to me known to be the identical persons who executed the within and foregoing instrument, and acknowledged to me that they executed the same as their free and voluntary act and deed, for the uses and purposes therein set forth.

My Commission Expires:

Betty J. Brown
Notary Public

Nov 30, 1955

STATE OF New Mexico

COUNTY OF San Juan

Before me, the undersigned, a Notary Public in and for the said County and State, on the 12th day of January, 1952, personally appeared Robert Henderson & Alda Henderson to me known to be the identical persons who executed the within and foregoing instrument, and acknowledged to me that they executed the same as their free and voluntary act and deed, for the uses and purposes therein set forth.

My Commission Expires:

Betty J. Brown
Notary Public

Nov 30, 1955

STATE OF New Mexico

COUNTY OF San Juan

Before me, the undersigned, a Notary Public in and for the said County and State, on the 19th day of January, 1952, personally appeared Louis E. Keenan and Madeline J. Keenan to me known to be the identical persons who executed the within and foregoing instrument, and acknowledged to me that they executed the same as their free and voluntary act and deed, for the uses and purposes therein set forth.

My Commission Expires:

Betty J. Brown
Notary Public

Nov 30, 1955

Louis E. Keenan

STATE OF New Mexico

COUNTY OF San Juan

Before me, the undersigned, a Notary Public in and for the said County and State, on the 1st day of February, 1952, personally appeared C. J. Burnham and Dorothy E. Burnham to me known to be the identical persons who executed the within and foregoing instrument, and acknowledged to me that they executed the same as their free and voluntary act and deed for the uses and purposes therein set forth.

My Commission Expires:

Betty F. Brown
Notary Public

STATE OF New Mexico

COUNTY OF San Juan

Before me, the undersigned, a Notary Public in and for the said County and State, on the 1st day of February, 1952, personally appeared J. D. Bratschi (otherwise known as Geo. D. Bratschi & Emma R. Bratschi) to me known to be the identical persons who executed the within and foregoing instrument, and acknowledged to me that they executed the same as their free and voluntary act and deed for the uses and purposes therein set forth.

My Commission Expires:

Betty F. Brown
Notary Public

STATE OF New Mexico

COUNTY OF San Juan

Before me, the undersigned, a Notary Public in and for the said County and State, on the 2nd day of February, 1952, personally appeared Myrtle M. Johnson (otherwise known as Myrtle Johnson & Ernest G. Johnson) to me known to be the identical persons who executed the within and foregoing instrument, and acknowledged to me that they executed the same as their free and voluntary act and deed for the uses and purposes therein set forth.

My Commission Expires:

Betty F. Brown
Notary Public

STATE OF New Mexico

COUNTY OF San Juan

Before me, the undersigned, a Notary Public in and for the said County and State, on the day of February, 1952, personally appeared Virgil C. Gullidge and Helma D. Gullidge to me known to be the identical persons who executed the within and foregoing instrument, and acknowledged to me that they executed the same as their free and voluntary act and deed for the uses and purposes therein set forth.

My Commission Expires:

Betty F. Brown
Notary Public

STATE OF New Mexico }
COUNTY OF San Juan } ss

On this 28th day of February, 1951, before me personally appeared Jose R. Garcia and Romalda Garcia, to me personally known to be the person (s) described in and who executed the foregoing instrument, and acknowledged that he (they) executed the same as his (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 first above written.

Richard W. Harten
Notary Public

My Commission Expires:

October 25, 1954.

STATE OF New Mexico }
COUNTY OF San Juan } ss

On this 21st day of February, 1951, before me personally appeared James H. Brown, to me personally known to be the person (s) described in and who executed the foregoing instrument, and acknowledged that he (they) executed the same as his (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 first above written.

Betty F. Brown
Notary Public

My Commission Expires:

Nov. 30, 1955.

STATE OF New Mexico }
COUNTY OF San Juan } ss

On this 12th day of February, 1951, before me personally appeared Dorothy Neill, to me personally known to be the person (s) described in and who executed the foregoing instrument and acknowledged that he (they) executed the same as his (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 first above written.

Betty F. Brown
Notary Public

My Commission Expires:

Nov. 30, 1955.

STATE OF _____ }
COUNTY OF _____ } ss

On this _____ day of _____, 1951, before me personally appeared _____, to me personally known to be the person (s) described in and who executed the foregoing instrument, and acknowledged that he (they) executed the same as his (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 first above written.

Notary Public

My Commission Expires:

_____.

STATE OF _____ }
COUNTY OF _____ } ss

On this _____ day of _____, 1951, before me personally appeared _____, to me personally known to be the person (s) described in and who executed the foregoing instrument, and acknowledged that he (they) executed the same as his (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 first above written.

Notary Public

My Commission Expires:

_____.

STATE OF _____ }
COUNTY OF _____ } ss

On this _____ day of _____, 1951, before me personally appeared _____, to me personally known to be the person (s) described in and who executed the foregoing instrument and acknowledged that he (they) executed the same as his (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 first above written.

Notary Public

My Commission Expires:

_____.

STATE OF _____ }
COUNTY OF _____ } ss

On this _____ day of _____, 1951, before me personally appeared _____, to me personally known to be the person (s) described in and who executed the foregoing instrument, and acknowledged that he (they) executed the same as his (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 first above written.

Notary Public

My Commission Expires:
_____.

STATE OF _____ }
COUNTY OF _____ } ss

On this _____ day of _____, 1951, before me personally appeared _____, to me personally known to be the person (s) described in and who executed the foregoing instrument, and acknowledged that he (they) executed the same as his (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 first above written.

Notary Public

My Commission Expires:
_____.

STATE OF _____ }
COUNTY OF _____ } ss

On this _____ day of _____, 1951, before me personally appeared _____, to me personally known to be the person (s) described in and who executed the foregoing instrument and acknowledged that he (they) executed the same as his (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 first above written.

Notary Public

My Commission Expires:
_____.

STATE OF _____ }
COUNTY OF _____ } ss

On this _____ day of _____, 1951, before me personally appeared _____, to me personally known to be the person (s) described in and who executed the foregoing instrument, and acknowledged that he (they) executed the same as his (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 first above written.

Notary Public

My Commission Expires:

_____.

STATE OF _____ }
COUNTY OF _____ } ss

On this _____ day of _____, 1951, before me personally appeared _____, to me personally known to be the person (s) described in and who executed the foregoing instrument, and acknowledged that he (they) executed the same as his (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 first above written.

Notary Public

My Commission Expires:

_____.

STATE OF _____ }
COUNTY OF _____ } ss

On this _____ day of _____, 1951, before me personally appeared _____, to me personally known to be the person (s) described in and who executed the foregoing instrument and acknowledged that he (they) executed the same as his (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 first above written.

Notary Public

My Commission Expires:

_____.

STATE OF _____ }
COUNTY OF _____ } ss

On this _____ day of _____, 1951, before me personally appeared _____, to me personally known to be the person (s) described in and who executed the foregoing instrument, and acknowledged that he (they) executed the same as his (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 first above written.

Notary Public

My Commission Expires:
_____.

STATE OF _____ }
COUNTY OF _____ } ss

On this _____ day of _____, 1951, before me personally appeared _____, to me personally known to be the person (s) described in and who executed the foregoing instrument, and acknowledged that he (they) executed the same as his (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 first above written.

Notary Public

My Commission Expires:
_____.

STATE OF _____ }
COUNTY OF _____ } ss

On this _____ day of _____, 1951, before me personally appeared _____, to me personally known to be the person (s) described in and who executed the foregoing instrument and acknowledged that he (they) executed the same as his (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 first above written.

Notary Public

My Commission Expires:
_____.

STATE OF _____ }
COUNTY OF _____ } ss

On this _____ day of _____, 1951, before me personally appeared _____, to me personally known to be the person (s) described in and who executed the foregoing instrument, and acknowledged that he (they) executed the same as his (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 first above written.

Notary Public

My Commission Expires:
_____.

STATE OF _____ }
COUNTY OF _____ } ss

On this _____ day of _____, 1951, before me personally appeared _____, to me personally known to be the person (s) described in and who executed the foregoing instrument, and acknowledged that he (they) executed the same as his (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 first above written.

Notary Public

My Commission Expires:
_____.

STATE OF _____ }
COUNTY OF _____ } ss

On this _____ day of _____, 1951, before me personally appeared _____, to me personally known to be the person (s) described in and who executed the foregoing instrument and acknowledged that he (they) executed the same as his (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 first above written.

Notary Public

My Commission Expires:
_____.



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

P. O. Box 997
Roswell, New Mexico

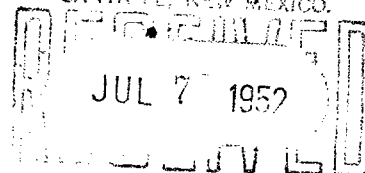
K5
WBM
IN REPLY REFER TO:

Case 377

July 2, 1952

W. R. Spurrier
Mr. R.R. Spurrier, Director
New Mexico Oil Conservation Commission
Santa Fe, New Mexico

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO.



Dear Mr. Spurrier:

Please refer to Case 377 relating to the application of Benson and Montin for an order establishing uniform 320-acre spacing of gas wells drilled to the Pictured Cliffs formation in the Gallegos Canyon unit area and adjacent lands in Ts. 28 and 29 N., Rs. 12 and 13 W., N.M.P.M., San Juan County, New Mexico.

In regard to the spacing of gas wells in the area covered by the application, this office prefers the wider spacing in order that the limits of production may be defined more quickly particularly within the unit area so that the interests committed thereto may participate in the benefits accruing therefrom at the earliest possible date. Consequently, this office offers no objection to the order requested by the applicant, at least until such time as the area is more fully developed. However, in order to avoid any conflicts that may arise between the order and the provisions of the Gallegos Canyon unit agreement, it is suggested that if such an order is issued it be made subject to the provisions of the unit agreement insofar as it concerns the lands committed thereto.

Mr. A. R. Greer, Jr. requested that this office inform you of its position in the matter.

Very truly yours,

R. E. Canfield

R. E. CANFIELD

Acting Regional Oil and Gas Supervisor

ACCEPTANCE OF LEASES IN ESCROW

We, THE FIRST NATIONAL BANK OF FARMINGTON, NEW MEXICO, appointed Escrow Agent under the foregoing escrow instructions (and agreement between Lessors and Lessee) hereby accept possession of said leases, together with the instructions with which said leases are deposited; and agree to hold said leases in escrow, and make delivery thereof as in said instructions more particularly directed.

Dated this 19 day of February, 1952.

THE FIRST NATIONAL BANK OF FARMINGTON, N. M.

By

Richard W. Ramsey

Cashier

John W. Taylor

Escrow Agent

Case 377

Mesilla Park, N. M.,

June, 11, 1952

State of New Mexico Oil Conservation Commission
Santa Fe, N. M.

JUN 16 1952

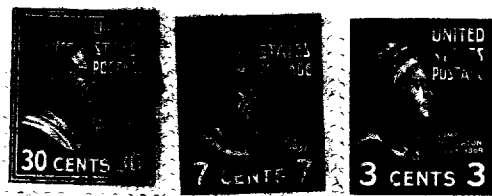
Gentlemen:

We wish to protest the granting of an order establishing uniform 320 acre spacing of gas wells drilled to the Pictured Cliffs formation of the Gallegos Canyon Unit Area, San Juan County, New Mexico (Case 377). Granting this order would be very unfair to us and other holders of gas rights in the area. It would greatly reduce the revenue we might receive. Our holdings are a half interest in the gas and oil rights of the NE $\frac{1}{4}$ of the SE $\frac{1}{4}$

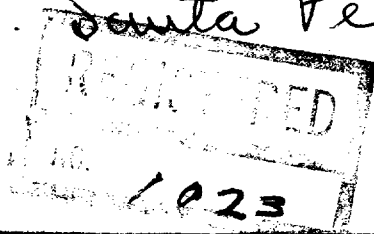
of the S 12 rods of the SE $\frac{1}{4}$ of
the NE $\frac{1}{4}$ of Sec. 21, and the
NW $\frac{1}{4}$ of the SW $\frac{1}{4}$ and the S.
12 rods of the SW $\frac{1}{4}$ of the NW $\frac{1}{4}$
of Sec. 22, all Twp. 29 N., Range
18 W. N. M. P. M.

Very truly yours
Elmer E. Anderson
Bertha E. Anderson

Elmer E Anderson
Box 135-
Mesilla Park N. M.



RETURN RECEIPT REQUESTED
State of New Mexico Oil Conservation Commission
Santa Fe, N. M.



M. Whitewack
1105 S. Luaker
Tulsa Okla



State of New Mexico
Oil Conservation Comm.,
Santa Fe, New Mexico

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

WESTERN UNION

W. P. MARSHALL, PRESIDENT

1201

(1)

(22)

| SYMBOLS |
|--------------------------|
| DL=Day Letter |
| NL=Night Letter |
| LT=Int'l Letter Telegram |
| VLT=Int'l Victory Ltr. |

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

LA59 KC068

1952 JUN 17 AM 10 34

Che 377

K TUB098 DL PD=TULSA OKLA 17 1016A=

NEW MEXICO OIL CONSERVATION COMMISSION=

ATTN R R SPURRIER SANTA FE NMEX=

WE ARE INTERESTED IN APPLICATION BENSON AND MONTIN CASE
NUMBER 377 SET FOR HEARING JUNE 19 STOP WE CANNOT BE
REPRESENTED AT HEARING BUT SUPPORT THE POSITION OF APPLICANT=
A E PIERCE VICE PRESIDENT MID-CONTINENT PETROLEUM CORP=

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

WESTERN UNION

W. P. MARSHALL, PRESIDENT

1201

| SYMBOLS |
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LA36 SSC622

1952 JUL 21 PM 4 14

LAYB196 PD=FARMINGTON NMEX 21 338P=

377

R R SPURRIER=

DIRECTOR OF OIL CONSERVATION COMMISSION SANTA FE NMEX=

RE 320 ACRE SPACING IN GALLEGOS CANYON AREA WE HAVE NOT
RECEIVED A WIRE MR MACEY SAID WAS FORTHCOMING TWO WEEKS
AGO SAID WIRE IS TO BE CONFIRMATION THAT 320 ACRE SPACING
WILL BE ADOPTED. RIG IS SHUT DOWN PENDING OUR RECEIPT OF
THIS WIRE OR THE FORMAL ORDER ESTABLISHING THIS SPACING=
BENSON AND MONTIN BY A R GREER=

CLASS OF SERVICE

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

WESTERN UNION

W. P. MARSHALL, PRESIDENT

1201

SYMBOLS

DL=Day Letter

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

AA48 SSB529

AYA423 14 COLLECT=ALBUQUERQUE NMEX 19 135P=

LLOYD B TAYLOR=

CARE OIL CONSERVATION COMM SANTA FE NMEX=

WAS CALLED BACK TO COURT TO GET ORDER SIGNED THROWS ME TOO

LATE=

G W R HOY=

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

OIL CONSERVATION COMMISSION

P. O. BOX 871
SANTA FE, NEW MEXICO

June 17, 1952

Mr. A. E. Pierce, Vice President
Mid-Continent Petroleum Corporation
Tulsa, Oklahoma

Dear Sir:

This is to acknowledge receipt of your telegram of this date with reference to Case 377, scheduled for hearing before the Commission on June 19, 1952.

Your wire will be entered and made a part of the permanent record in the case.

Very truly yours,

W. B. Macey
Chief Engineer

WBM:nr

V I A A I R M A I L

C
O
P
Y 6

MESILLA PARK, N. M.
June 11 - 1952

State of New Mexico
Oil Conservation Commission
Santa Fe, N. M.

Gentlemen:

We wish to protest the granting of an order establishing uniform 320 acre spacing of gas wells drilled to the Pictured Cliffs formation of the Gallegos Canyon Unit Area, San Juan County, New Mexico (Case 377). Granting this order would be very unfair to us and other holders of gas rights in the area. It would greatly reduce the revenue we might receive.

Our holdings are a half interest in the gas and oil rights of the NE/4 of the SE/4 of the S 12 rods of the SE/4 of the NE/4 of Sec. 21, and the NW/4 of the SW/4 and the S 12 rods of the SW/4 of the NW/4 of Sec. 22, all Twp. 29 N, Range 13 W, NMPM.

Very truly yours,

Elmer E. Anderson
Bertha E. Anderson

being expect at college

(Box 135, Mesilla Park, N. M.)

Received OCC June 16 1952
Via registered mail

5

C
O
P
Y

1105 S. Quaker
Tulsa, Okla.
June 11 - '52

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

Gentlemen:

I have read your notice in the Farmington Daily Times with reference to Case 377, in the matter of application by Benson and Montin, for an order to change well spacing from 160 acres to 320 acres in the Gallegos Canyon Unit Area.

As I own the SW NE and W/2 SE 19-29-12W, also NW SW 14-29-13W, in this unit, I wish to register a protest against this change.

I believe in the conservation of natural resources but not to the extent of depriving property owners of their rights. In other gas fields 160 spacing has been satisfactory, and no doubt it is in this area.

When these lands were leased a year ago we agreed on a 160 acre spacing. What has happened in the meantime to justify this change?

Thanks for your attention.

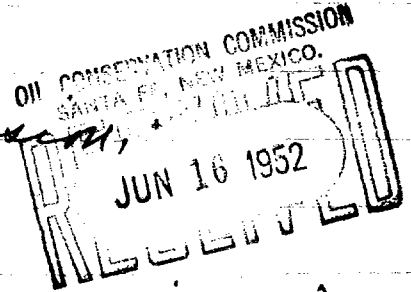
(s) MARIE WHITTENACK

(Sent registered mail.....
Received CCC June 16 1952)

Case 377 1105 A. Graker

Tulsa Okla
June 11- '52

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



Gentlemen:

I have read your notice in the Farmington Daily Times with reference to Case # 377, in the matter of application by Benton & Montic, for an order to change well spacing from 160 acres to 320 acres, in the Gallegos Canyon Unit Area.

As I own The SW $\frac{1}{4}$ NE $\frac{1}{4}$ & W $\frac{1}{2}$ SE 19-29-12W, Also NW SW 14-29-13W, in this unit, I wish to register a protest against this change.

I believe in the conservation of natural resources, but not to the extent of depriving property owners of their rights. In other gas fields 160 spacing has been satisfactory, and no doubt it is in this area.

When these ^{lands} were leased a year ago we agreed on a 160 acre spacing. What has happened in the meantime to justify this change?

Thanks for your attention.

Mamie Whitmack

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

June 17, 1952

Elmer E. Anderson and
Bertha E. Anderson
Box 135
Mesilla Park, N. M.

Dear Mr. and Mrs. Anderson:

This will acknowledge your letter of June 11, 1952, with regard to Case 377, scheduled to be heard June 19 in regular hearing before the Oil Conservation Commission.

Your letter will be entered and made a part of the permanent record in the case.

Very truly yours,

W. B. Macey
Chief Engineer

WBM:mr

C
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P
Y

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

June 17, 1952

C
O
P
Y

Mrs. Mamie Whitenack
1105 S. Quaker
Tulsa, Oklahoma

Dear Madam:

This is to acknowledge your letter of June 11, 1952, referring to Case 377, set to be heard at the regular hearing of the Commission on June 19.

Your letter will be made a part of the permanent record in the case.

Very truly yours,

W. B. Macey
Chief Engineer

WBM:nr

OIL CONSERVATION COMMISSION

P. O. BOX 871
SANTA FE, NEW MEXICO

June 17, 1952

C
O
P
Y

Mr. Andrew D. Dinsmore and
Rene P. Dinsmore
455 La Colonia
Las Cruces, N. M.

Dear Mr. and Mrs. Dinsmore:

This will acknowledge receipt of your letter of June 12, 1952, with reference to Case 377, set to be heard before this Commission on June 19.

Your letter will be entered and made a part of the permanent record in the case.

Very truly yours,

W. B. Macey
Chief Engineer

WBM:nr

332 Linden Street
Santa Cruz, California

June 11, 1952

State of New Mexico Oil Conservation Commission

Santa Fe, New Mexico

Gentlemen:

I am in receipt of a legal notice published in the Farmington Daily Times of June 2, 1952, in which you give notice of a hearing in Santa Fe, at nine o'clock a. m., on June 19, 1952, at Mabry Hall, Santa Fe, New Mexico.

We have lands situate in Section 14, Township 29 North, Range 13 West, more particularly described as follows:

The N. 23 acres of the E $\frac{1}{2}$ of the
E $\frac{1}{2}$ of the NW $\frac{1}{4}$, Section 14.

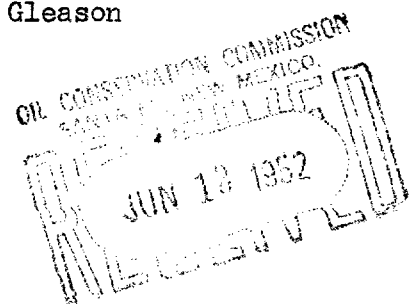
We have signed a lease and have a definite drilling commitment on the 160 acres of which our land is a part, such lease and agreement being with the Locke-Taylor Drilling Co. of Farmington, New Mexico. They have agreed to drill this acreage on the basis of 160 acre spacings.

We protest the application of Benson & Montin in our lands of which they have no interest, whatsoever, and feel that in view of the large number of landowners involved in our 160 acres, that it is unfair and unjust to ask for a spacing of more than 160 acres. We direct that this letter be presented at the hearing as our valid protest, since we live out of the State and will be unable to be present at the said hearing.

Very truly yours,

Calvin L. Gleason

Calvin L. Gleason, for himself and for
Raymond A. Gleason, Kenneth C. Gleason
and Nancy J. Gleason Leest.



OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

June 13, 1952

Mr. Calvin L. Gleason
332 Linden Street
Santa Cruz, California

Dear Sir:

This will acknowledge receipt of your letter of June 11, 1952, regarding Case 377, schedule to be heard by this Commission at the regular hearing on June 19, 1952.

Your letter will be entered and made a part of the permanent record in the case.

Very truly yours,

W. B. Macey
Chief Engineer

WBM:nr

C
O
P
Y

Case 377 ④

455 La Colonia
Las Cruces, New Mexico
June 12, 1952

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

Dear Sirs;

We read a legal notice - Case 377 - in the Farmington Daily Times, dated June 2, 1952, whereby there is to be a hearing June 19, 1952, for the purpose of changing the spacing of gas wells, from 160 acres to 320 acres in certain lands adjacent thereto in Townships 28 and 29 North, Ranges 12 and 13 West, NMPM, San Juan County, New Mexico.

We are landowners in San Juan County, New Mexico, owning land --

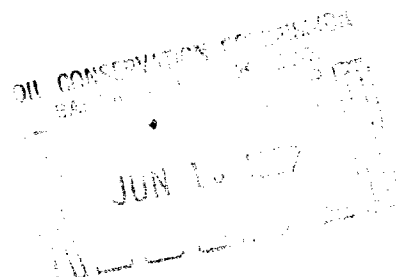
The Southwest Quarter of the Northwest Quarter (SW $\frac{1}{4}$ NW $\frac{1}{4}$) of Section 22, Township 29 North, Range 13 West, N.M.P.M., excepting therefrom the South Twelve rods thereof, and one rod therefrom on the North, said tract containing thirty-four acres more or less.

We very vigorously protest the respacing of gas wells in the above mentioned lands, from 160 acres to 320 acres.

Thank you.

Very truly yours,

Andrew D. Dinemore
Rene P. Dinemore



3

208 E. Washington St.,
Washington, Iowa
June 10, 1952

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

Dear Sirs,

I am writing to you about Case 377 to urge that you reject this application when it comes up for hearing June 19th.

My interest is that of a small land owner in the affected area. I have $22\frac{1}{2}$ acres in Sections 13 and 14 Twp. 29 N Range 13 W., and own half the mineral rights to 143 acres in Section 21, and to 20 acres in Section 2, Twp. 29 N Range 13 W.

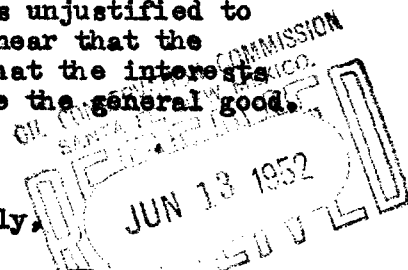
I believe that, under the guise of conservation, the applicant in this case is trying to squeeze out the small owners and operators. It would seem to be the duty of public commissioners to be particularly vigilant against such tactics. Small owners and operators need special protection, like widows and orphans, partly because of their minority position. I would like respectfully to call your attention to the place that private initiative has always occupied in the development of the United States.

To the best of my information, applicants are trying to hold 45,000 acres, unable to develop it themselves, but unwilling to admit other operators. This is a form of greed unworthy of the country's need for gas and oil.

I remember how recently the San Juan Basin became productive and how bright the future appeared to those who live there. Surely in this, the very early period of the area's development when its capacities are hardly known, it is unjustified to propose 320 acre spacing. I am hoping to hear that the application of Case 377 was rejected and that the interests of a small group have not been placed above the general good.

Yours very truly,

Mary Roberts Berry
Mary Roberts Berry



OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

June 13, 1952

C
O
P
Y

Mrs. Mary Roberts Berry
208 East Washington Street
Washington, Iowa

Dear Madam:

This will acknowledge receipt of your letter of June 10, 1952, concerning Case 377, set to be heard by this Commission on June 19, 1952.

Your letter will be made part of the permanent record in the case.

Very truly yours,

W. B. Macey
Chief Engineer

WBM:nr

Case 377

①

1507 2nd. Ave.
Safford Arizona
June 9, 1952

New Mexico Oil Conservation Commission
Santa Fe, New Mexico.

Dear Sirs:

We the undersigned, having property in San Juan County, present this letter in protest to the proposal 320 acre spacing of gas wells in areas of San Juan County, known as case 377. We feel that such a proposal would be detrimental to the best interest of all small land owners.

Enclosed are the legal descriptions of our properties.

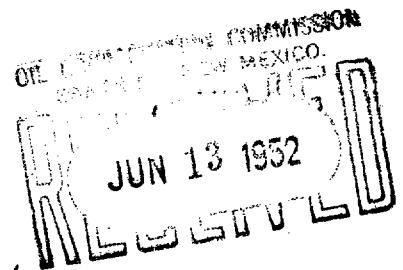
Yours truly,

Thurland Reay
Thurland Reay

Vaughn Reay
Vaughn Reay

Merrill Kempton
Merrill Kempton

Lucy Mae Kempton
Lucy Mae Kempton



ORIGINAL Second Half
TAX STATEMENT, 1948

No 1886 Second Half

School District No. 5 out

Page 110 Line 3

SECOND Amount of Tax, 1948

HALF DISTRIBUTION AMOUNT

| | | |
|-------------------------|----|----|
| 17. State and County | 15 | 35 |
| 8. Cattle Indemnity | | |
| 19. Sheep Sanitary | | |
| Hog Cholera | | |
| 21. School District No. | 7 | 64 |
| 22. { Aztec | | |
| { Farmington | | |
| Water | | |
| Bloomfield Irr. Dist. | | |
| Horticulture | 5 | 0 |
| 30. TOTAL SECOND HALF | 23 | 49 |
| Interest or Penalty | | |
| Total | | |

Attach Receipt Here

DELINQUENT: FIRST HALF DECEMBER 1, 1948; SECOND HALF MAY 1, 1949
1% PER MONTH CHARGED AFTER DELINQUENT DATE

OFFICE OF TREASURER OF SAN JUAN COUNTY

Aztec, New Mexico, November 1, 1948

M. W. Dickson
920 Merrill Thompson
924 Merrill St.
Bartford Arizona

1948

Your State, County, School District and City Taxes for the year 1948 against the property herein described are now due and payable at this office. Delinquent SECOND HALF MAY 1, 1949 1% PER MO. CHG. AFTER DEL. DATE

| 1. Description of Real Estate and Improvements | LOT | BLK. | ADDITION | SEC. | TWP. | RGE. | ACRES | VALUATION |
|--|-----|------|----------|------|------|------|-------|-----------|
| 000 SW NE | | | | 15 | 29 | 13 | 32 | 1378 |
| Beginning E. and S. 1/4 Quinman River | | | | | | | | |
| 000 SE NE except 15 A. 4 NE | | | | 15 | 29 | 13 | | |
| 3A. SW SW 1/4 SW NW | | | | 14 | 29 | 13 | | |
| TOTAL TAX | | | | | | | | |
| \$ | | | | | | | | |
| \$ | | | | | | | | |
| \$ | | | | | | | | |

| | |
|--|------|
| 2. Improvements | |
| 3. Personal Property | |
| 4. Farm and Ranch products and Equipment | |
| 5. Livestock | |
| 6. Equipment, Supplies, Professions and Trades | |
| 7. Plants, Tools—Machinery | |
| 8. Merchandise, Mer. Fix-equipment | |
| 9. Penalty 25% Non-assessment | |
| 10. Total Valuation—Assessors | |
| 11. Valuation Certified—State Tax Com. | |
| 12. Total Gross Valuation | 1753 |
| 13. Exemption | |
| 14. { Raised | |
| { Reduced | |
| 15. Final Assessed Value | 1753 |

DELINQUENT: FIRST HALF DECEMBER 1, 1951; SECOND HALF MAY 1, 1952
1% PER MONTH CHARGED AFTER DELINQUENT DATE

TAX NOTICE, 1951

Nº 2519

Second Half

Attach Receipt Here

OFFICE OF TREASURER OF SAN JUAN COUNTY

Aztec, New Mexico, November 1, 1951.

1951

Your State, County, School District and City Taxes for the year 1951 against the property herein described are now due and payable at this office.

DELINQUENT FIRST HALF DECEMBER 1, 1951
SECOND HALF MAY 1, 1952 1% PER MO. CHG. AFTER DEL. DATE

School District No. 5445

Page 179 Line 14

| SECOND HALF | Amount of Tax, 1951 |
|----------------|---------------------|
|----------------|---------------------|

| DISTRIBUTION | | AMOUNT | |
|-------------------------|--|--------|----|
| 17. State and County | | 38 | 93 |
| 18. Cattle Indemnity | | | |
| 19. Sheep Sanitary | | | |
| Hog Cholera | | | |
| 21. School District No. | | 16 | 83 |
| 22. { Aztec | | | |
| { Farmington | | | |
| Water | | | |
| Bloomfield Irr. Dist. | | | |
| Horticulture | | | 75 |
| La Plata Conservancy | | | |
| 30. TOTAL SECOND HALF | | 56 | 51 |
| Interest or Penalty | | | 57 |
| Total | | 57 | 08 |

[illegible]**TOTAL TAX**

if Paid during
May 1952

| | |
|--|--------------|
| 2. Improvements | 2357 |
| 3. Personal Property | |
| 4. Farm and Ranch Products and Equipment | |
| 5. Live Stock | Dairy Cattle |
| | Cattle |
| | Horses |
| | Pigs |
| | Sheep |
| 6. Equipment, Supplies, Professions and Trades | |
| 7. Plants, Tools—Machinery | |
| 8. Merchandise, Mer. Fix-equipment | |
| 9. Penalty 25% Non-assessment | |
| 10. Total Valuation—Assessors | |
| 11. Valuation Certified-State Tax. Com. | |
| 12. Total Gross Valuation | 4157 |
| 13. Exemption | |
| 14. | |
| 15. Final Assessed Value | 4157.00 |

OIL CONSERVATION COMMISSION

P. O. BOX 871
SANTA FE, NEW MEXICO

June 13, 1952

Mr. Thurland Reay
1507 2nd Avenue
Safford, Arizona

Dear Sir:

We have received your letter of June 9, 1952, written for your interest and that of Vaughn Reay, Merrill Kempton and Lucy Mae Kempton in Case 377, scheduled to be heard by this Commission on June 19, 1952.

The letter will be entered and made a part of the permanent record in the case.

Very truly yours,

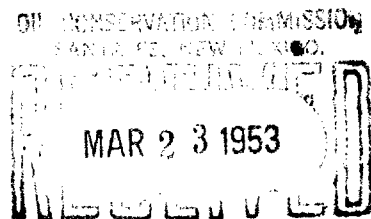
W. B. Macey
Chief Engineer

WBM:nr

C
O
P
Y

GLENN J. SMITH
First National Bldg.
Tulsa, Okla.

March 19, 1953



Continental
1501 Petroleum Building
Oklahoma City, Oklahoma

Attention: Mr. Jack London, Jr.

Re: Proposed Expansion Callegos Canyon Unit
and Pictured Cliffs Participating Area,
San Juan County, New Mexico

Gentlemen:

As of March 18th we wrote to you concerning your proposed expansion of the above described unit by the inclusion of Sections 35 and 36-28N-12E, S $\frac{1}{2}$ Section 31-28N-11E, Section 4 and N $\frac{1}{2}$ Section 5-27N-12E.

We request that you completely disregard that letter. We have since found that we were misinformed, and do not wish to support the objections of Mr. Thomas B. Scott, Jr., president of the Brookhaven Oil Company. We particularly object to his request that Order 8-172 of the New Mexico Oil Conservation Commission be cancelled, and we wish to do nothing whatsoever that will in any way jeopardize the standing of that Order.

We regret very much that we gave you the wrong impression, and hope that this letter will give you the true picture of our stand on the matter.

Yours very truly,

G. J. Smith

cc: Stanolind Oil & Gas Company
Tulsa, Oklahoma

Mid-Continent Petroleum Corporation
Attn: Mr. Albert Pierce, Production Dept.
Tulsa, Oklahoma

The Texas Company
P.O. North, Texas

cc: Brookhaven Oil Company
Attn: Mr. Thos. B. Scott, Jr., President
P. O. Box 544, Albuquerque, New Mexico

The Supervisor
United States Geological Survey
Southwestern Region
Roswell, New Mexico

Superintendent of Navajo Indian Reservation
c/o The Supervisor
United States Geological Survey
Roswell, New Mexico

Commissioner of Indian Affairs
c/o The Supervisor
United States Geological Survey
Roswell, New Mexico

New Mexico State Land Commissioner
Santa Fe, New Mexico

Oil Conservation Commission
State Capitol
Santa Fe, New Mexico

247
377

GENERAL OFFICES
1501 PETROLEUM BUILDING
OKLAHOMA CITY, OKLAHOMA
PHONE 3-0546

BENSON - MONTIN
OIL PRODUCERS AND OPERATORS

MAR 23 1953

EARL A. BENSON
WM. V. MONTIN

March 19, 1953

Please address reply to:
315½ West Main
Farmington, New Mexico

Stanolind Oil & Gas Company
Lubbock, Texas

Attention: Mr. C. J. Christensen

Subject: Your File SHS-5279-400-T
Gallegos Canyon Unit, San
Juan County, New Mexico

Gentlemen:

C
O
P
Y
This is in reply to your letter of March 6th addressed to Benson-Montin in Oklahoma City, relative to locations and the cost of wells proposed for the first half of 1953.

For your information, we are listing below most of the wells we propose to drill in the Gallegos Canyon Unit during the remainder of this year:

| | |
|-----|---|
| #19 | 1737' FNL, 990' FEL, Section 20, Twp. 28N, Rge. 12W |
| #25 | 660' FSL, 1980' FWL, Section 26, Twp. 29N, Rge. 13W |
| #26 | 1650' FNL, 990' FEL, Section 25, Twp. 29N, Rge. 13W |
| #27 | 1650' FSL, 1650' FWL, Section 30, Twp. 29N, Rge. 12W |
| #28 | NE/4 of Section 30, Twp. 29N, Rge. 12W (not surveyed as of 3-19-53) |
| #29 | 824' FSL, 1811' FWL, Section 32, Twp. 29N, Rge. 12W |
| #30 | 1650' FSL, 990' FEL, Section 33, Twp. 28N, Rge. 12W |
| #32 | 990' FSL, 1650' FWL, Section 7, Twp. 28N, Rge. 12W |
| #33 | 970' FSL, 970' FWL, Section 21, Twp. 28N, Rge. 12W |
| #34 | 1650' FSL, 1650' FWL, Section 28, Twp. 28N, Rge. 12W |
| #35 | 1650' FSL, 1650' FWL, Section 20, Twp. 28N, Rge. 12W |
| #36 | 1758' FNL, 1013' FEL, Section 19, Twp. 28N, Rge. 12W |
| #37 | 1594' FSL, 1716' FWL, Section 19, Twp. 28N, Rge. 12W |
| #38 | 1660' FNL, 735' FEL, Section 24, Twp. 28N, Rge. 13W |
| #39 | SW/4 of Section 16, Twp. 28N, Rge. 12W (not surveyed as of 3-19-53) |
| #40 | 1770' FNL, 660' FEL, Section 29, Twp. 28N, Rge. 12W |
| #41 | 990' FNL, 990' FEL, Section 32, Twp. 28N, Rge. 12W. |


Of the above 17 wells, we anticipate that five will be completed by June 30th, and possibly production casing will be set on two others. Our anticipated order of drilling at this time is as follows: #28, #25, #30, #27, #26, #29, #19.

Copy of an AFE covering cost of an average well is enclosed with this letter.

Yours very truly,

BENSON-MONTIN

BY:


Albert R. Greer
Field Superintendent

cc: Mr. Jack London

County **SAN JUAN** **CALLEGOS CANYON UNIT** **State** **NEW MEXICO** **Average** **1953** **From** **West Kuts** **Area**

Drilling 1450 4.00 5,800
 Rotary coring one well out of four, 2 days x \$550.00/4 275
 Cable tools: 8 days at \$300.00 2,400
 1400/4 = 350 500.00/4 425
 0 0
 100 100
 0 700 700
 0 100 100
 800 800
 465.00 400 200 1,065
 \$300 300
 600 600
 Dump bailer rental \$125.00 / calseal \$60.00 185
 Welding, miscellaneous and unforeseen 300
 Handling charges, 1450' prod. csg. 725.00, 80' surface \$40.00 825
 1500' tubing \$60.00
 14,175

| | | | | |
|------|------------|------|-------|--------|
| 1450 | 7" 20# | 1.44 | 2,090 | |
| 80 | 9-5/8" 40# | 2.67 | 214 | |
| 1500 | 1" | .104 | 156 | 2,460 |
| | | | | 750 |
| | | | | 0 |
| | | | | 3,210 |
| | | | | 17,385 |

Same as above less 4 days cable tool time & shooting expense 12,115
 1 day cable tools 300, cement 150, cementing services 290, misc. 800
 1,000
 13,915

2,000 MCF/day
 30 months

GALLEGOS CANYON UNIT
San Juan

Average
1953
New Mexico

West Kutz

| | | | |
|--|-------|----------|--------|
| 1450 | 4.00 | | 5,800 |
| Rotary coring one well out of four, 2 days x \$550.00/4 | | | 275 |
| Cable tools: 8 days at \$300.00 | | | 2,400 |
| 1400/4 = 350 | | 500.00/4 | 425 |
| 0 | 0 | 0 | 0 |
| 100 | | | 100 |
| 0 | 700 | | 700 |
| 0 | 100 | | 100 |
| 800 | | | 800 |
| | | | 300 |
| 465.00 | 400 | 200 | 1,065 |
| | \$300 | | 300 |
| 0 | 600 | | 600 |
| Dump bailer rental \$125.00 / calseal \$60.00 | | | 185 |
| Welding, miscellaneous and unforeseen | | | 300 |
| Handling charges, 1450' prod. csg. 725.00, 80' surface \$40.00 | | | 825 |
| 1500' tubing \$60.00 | | | |
| | | | 14,175 |

| | | | |
|------|------------|------|--------|
| 1450 | 7" 20# | 1.44 | 2,090 |
| 80 | 9-5/8" 40# | 2.67 | 214 |
| 1500 | 1" | .104 | 156 |
| | | | 2,460 |
| | | | 750 |
| | | | 0 |
| | | | 3,210 |
| | | | 17,385 |

| | |
|--|--------|
| Same as above less 4 days cable tool time & shooting expense | 12,115 |
| 1 day cable tools 300, cement 150, cementing services 290, misc. | 800 |
| | 1,000 |
| | 13,915 |

2,000 MCF/day

30 months

GALLEGO'S CANYON UNIT
San Juan

Average
1953
New Mexico

West Kuts

| | | | |
|--|-------|----------|--------|
| 1450 | 4.00 | | 5,800 |
| Rotary coring one well out of four, 2 days x \$550.00/4 | | | 275 |
| Cable tools: 8 days at \$300.00 | | | 2,400 |
| 1400/4 = 350 | | 500.00/4 | 425 |
| 0 | 0 | 0 | 0 |
| 100 | | | 100 |
| 0 | 700 | | 700 |
| 0 | 100 | | 100 |
| 800 | | | 800 |
| | | | 300 |
| 465.00 | 400 | 200 | 1,065 |
| | \$300 | | 300 |
| 0 | 600 | | 600 |
| Dump bailer rental \$125.00 / calseal \$60.00 | | | 185 |
| Welding, miscellaneous and unforeseen | | | 300 |
| Handling charges, 1450' prod. csg. 725.00, 80' surface \$40.00 | | | 825 |
| 1500' tubing \$60.00 | | | |
| | | | 14,175 |

| | | | |
|------|------------|------|--------|
| 1450 | 7" 20# | 1.44 | 2,090 |
| 80 | 9-5/8" 40# | 2.67 | 214 |
| | | | |
| 1500 | 1" | .104 | 156 |
| | | | 2,460 |
| | | | 750 |
| | | | 0 |
| | | | 3,210 |
| | | | 17,385 |

| | |
|--|--------|
| Same as above less 4 days cable tool time & shooting expense | 12,115 |
| 1 day cable tools 300, cement 150, cementing services 290, misc. | 800 |
| | 1,000 |
| | 13,915 |

2,000 MCF/day

30 months

Has Bill seen
this?

Benson mention at
leaving anticipated
meeting 160 acre effects.

This guy is a little
off base & besides if
he had so much interest
in it why didn't he
put in an appearance
in room.

BROOKHAVEN OIL COMPANY

FIRST NATIONAL BANK BUILDING

(MAIL) P. O. BOX 644

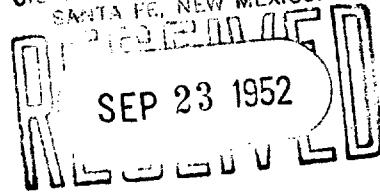
Albuquerque, New Mexico

PHONE 7-8853

TELETYPE AQ-101 OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO.

September 22, 1952.

Benson-Montin
1501 Petroleum Building
Oklahoma City, Oklahoma



Att: Mr. Jack London, Jr.

Dear Mr. London:

While I was on a trip to the eastern seaboard and Canada last June, that is, June 1st to June 21st, you apparently wrote my firm under date of June 11th, that you, as operator of the Gallegos Canyon Unit, were applying to the New Mexico Oil Conservation Commission at a hearing June 19th, for 320 acre spacing in the Pictured Cliffs development. On the assumption that you mailed your letter fairly promptly, this office would have received it on June 16th, in other words, three days before the hearing on your application to the New Mexico Oil Conservation Commission. Please remember that you had not asked the advice of the other lease owners previous to your application, but merely went ahead and applied on your own, probably at the instigation of the Stanolind Oil and Gas Company. I call to your attention Article 15 - Drainage - of the Unit Agreement for Development and Operation of the Gallegos Canyon Unit Area, dated the first day of November, 1950, wherein it says the Unit Operator will take appropriate and adequate measures to prevent drainage by wells on land not subject to this agreement.

There has just come to my notice, Case #377 wherein the New Mexico Oil Conservation Commission finds that the area of the Gallegos Canyon Unit can be efficiently, effectively and economically drained by one gas well on 320 acres but that the other wells in the West Kutz Pictured Cliffs Pool be and remain in full effect and undisturbed hereby.

I call your attention to the fact that lessees across the southern border of the Gallegos Canyon Unit have drilled wells on 160 acre spacing and, incidentally, to date you have failed to offset these wells, and that it is your intention to offset these 160 acre wells by 320 acre wells. As you and everybody else in the oil business knows, you can not prevent drainage by such a program unless each well in the West Kutz Area south and east of the Gallegos Canyon Unit drilled on 160 acre spacing is prorated to one-half the allowable of the wells in the Gallegos Canyon Unit drilled on 320 acre spacing.

I commend you for attempting to operate an economical drilling program, and I don't mind the 320 acre spacing if the whole

Benson-Montin
September 22, 1952.
Page 2.

pool is on this spacing, but I condemn you for enlarging the spacing per well in the Gallegos Canyon Unit without making comparable provision for drainage in the rest of the pool, either through spacing or proration. In this case, it would have to be proration. Possibly you and the New Mexico Oil Conservation Commission have done this but it has not come to my attention. Please advise.

I put you, as Operator, and the New Mexico Oil Conservation Commission on notice that unless comparable situations, such as equal spacing or offsetting proration is instigated immediately in and outside the Gallegos Unit in the same sand in the same pool, we will hold you responsible for drainage by the outside area. This case is so blatant, won't you please let me know what provision, if any, you and the Commission have made for the proration outside the Gallegos Canyon Unit in the West Kutz area so as to offset the wider spacing in the Gallegos Canyon Unit.

Very truly yours,

BROOKHAVEN OIL COMPANY



Thos. B. Scott, Jr.
President

TBS:ms

CC: Mr. R. R. Spurrier, Secretary
Oil Conservation Commission of the State of New Mexico
State Capitol
Santa Fe, New Mexico

OIL CONSERVATION COMMISSION

P. O. BOX 871
SANTA FE, NEW MEXICO

July 25, 1952

Mr. Al Greer, Jr.
Benson & Montin
Farmington, New Mexico

Dear Mr. Greer:

Order R-172 in Case 377, effective July 24, 1952,
is enclosed for your files.

Very truly yours,

Secretary and Director

W

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

May 28, 1953

C
O
P
Y

Benson - Montin
Oil Producers and Operators
315 1/2 West Main
Farmington, New Mexico

Attention: Mr. Albert R. Greer, Field Superintendent

Gentlemen:

Reference is made to your letter of May 25, 1953 wherein you request that the Show Cause hearing on Case No. 377, Order No. R-172 scheduled for June be postponed for a period of sixty days.

It will be necessary for you to make an appearance at the hearing and request the said sixty day extension and if said request is granted, we will then issue an order.

Very truly yours,

R. R. Spurrier
Secretary-Director

vc

GENERAL OFFICES
1501 PETROLEUM BUILDING
OKLAHOMA CITY, OKLAHOMA
PHONE 3-0548

BENSON-MONTIN

OIL PRODUCERS AND OPERATORS

OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

MAY 27 1953

EARL A. BENSON
WILLIAM MONTIN

May 25, 1953

315½ West Main
Farmington, New Mexico

New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Attention: Mr. R. R. Spurrier

Subject: Case No. 377
Order No. R-172

Gentlemen:

In Order No. R-172 the Commission established 320-acre spacing for the Gallegos Canyon Area by a temporary order effective for a period of one year from July 24th, 1952. This order also required that the Gallegos Canyon Unit operator show cause in the regular Commission hearing for the month of June, 1953, why 320-acre spacing should be continued.

Part of the effectiveness of this change in spacing from 160 acres to 320 acres depends on adequate protection of the unitized lands from the more densely drilled area to the south. In this respect the Unit operator is preventing drainage by drilling wells to a density of four wells to a section on part of the south boundary of the unit. To continue this protective row of wells across the entire south boundary, the Unit operator has proposed that a number of wells already drilled on 160-acre spacing, and which now adjoin the unit boundary, be included in the Gallegos Canyon Unit by enlarging the Unit area. The Unit operator has proposed that the effective date of this enlargement be February 1st, 1953. This proposed enlargement was filed with the U.S.G.S. in February, and we are still awaiting U.S.G.S. action in this matter. We would like to have a decision from the U.S.G.S. before the Commission holds another hearing relative to 320-acre spacing in the Gallegos Canyon Area. We therefore request that the Show Cause Hearing originally scheduled for June of this year be postponed sixty days, until the regular hearing date in August. This additional time will also allow the Unit operator to complete its schedule of wells to be cored, and will provide additional core data which will have a bearing on this hearing.

Yours very truly,

BENSON-MONTIN

BY:

Albert R. Greer
Albert R. Greer

Field Superintendent

ARG:nej

Case 377 RS
won

BROOKHAVEN OIL COMPANY

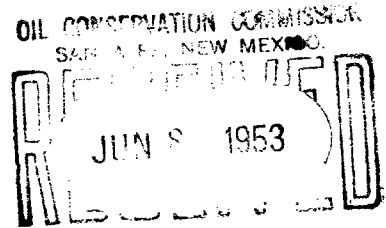
FIRST NATIONAL BANK BUILDING

(MAIL) P. O. BOX 644

Albuquerque, New Mexico

PHONE 7-8853

TELETYPE AQ-96



June 5, 1953.

New Mexico Oil Conservation Commission
State Capitol Building
Santa Fe, New Mexico

Att: Mr. R. R. Spurrier, Secretary

Dear Mr. Spurrier:

We have just received the docket for the regular hearing before the New Mexico Oil Conservation Commission to be held at 9 A.M. June 16, 1953, and note under the heading of "Continuations" that Benson & Montin are requested to appear at this hearing to show cause why a 160-acre spacing pattern should not be instituted for Pictured Cliffs wells in the Gallegos Unit Area, San Juan County, New Mexico, to supersede the 320-acre spacing granted for a one-year period after original hearing.

Inasmuch as our company has a working interest in the Gallegos Unit, we would appreciate it very much if you would advise us whether this action is being taken to reduce the spacing to 160 acres to compensate for the 320 acre spacing originally allowed or whether this is just a routine matter inasmuch as the one-year period allowed on the 320 acre spacing has expired. We are very much interested in this matter and would appreciate your prompt reply.

Thanking you, I remain,

Very truly yours,

BROOKHAVEN OIL COMPANY

A handwritten signature in cursive script, appearing to read "Thos. B. Scott, Jr.".

Thos. B. Scott, Jr.
President

TES:ms

60 day Extension
Requested

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

Case 377

June 8, 1953

Mr. Thomas B. Scott, Jr., President
Brookhaven Oil Company
P. O. Box 644
Albuquerque, New Mexico

Dear Mr. Scott:

This acknowledges receipt of your letter of June 5, 1953 inquiring as to the Order to Show Cause directed by the Commission to Benson-Montin, operators of the Gallegos Canyon Unitization project.

By reference to Order No. R-172 in Case 377 you will note that Finding No. 4 therein cites that the area should be developed on a 320 acre spacing pattern for a period of one year from the date of the order. This matter is called up at this time in order that the operators and interested parties in the Gallegos Canyon Unit may show why the 320 acre spacing, temporarily authorized last year, should be retained. As you know, the ordinary statewide gas spacing regulations are for 160 acres; if the interested parties have any reasons why 320 acre spacing should be retained in the aforementioned area then, they should appear and defend by proper testimony their position otherwise at the expiration of the one year period the statewide spacing of 160 acres would automatically go into effect.

Under date of May 28th of this year, Benson-Montin, who had previously requested a sixty day continuance of the case, were advised that it was necessary to make an appearance at the regular June 16, 1953 hearing and by motion request the 60 day extension which would be considered together with any reasons that company might offer to sustain the request. It is the understanding of this office that the problem is centered around the proposition of adequate protection of unitized lands and a possible attempt to modify the boundaries to include additional acreage to the south.

Very truly yours,

R. R. Spurrier
Secretary-Director

C
O
P
Y



Case 377
UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

P. O. Box 6721
Roswell, New Mexico

IN REPLY REFER TO:

OCT 1 1953
September 30, 1953

Mr. A. R. Greer
Benson & Montin
315½ W. Main St.
Farmington, New Mexico

Dear Mr. Greer:

We refer to your informal request of September 21 for an expression of our position regarding Benson & Montin's showing before the Oil Conservation Commission on September 17, 1953, (Case 377 - Order R-172), that a permanent order for 320-acre spacing should be issued for the Pictured Cliffs formation in the Gallegos Canyon Unit Area and certain adjoining lands.

The area for which Benson & Montin seeks a permanent order for 320-acre spacing in the Pictured Cliffs formation covers 50,362 acres, more or less, of which 41,722 acres are within the Gallegos Canyon Unit Area. Only 1,275 acres in the unit area are not subject to the terms of the agreement of which 857 acres are in the non-participating area. The remainder of the acreage comprises 8,640 acres outside the unit area and adjoining the northwest boundary thereof. The spacing requested is a departure from the 160-acre spacing now effective for the Pictured Cliffs formation elsewhere in the San Juan field.


The Gallegos Canyon Unit Agreement has been approved by the Geological Survey, the Bureau of Indian Affairs, the Oil Conservation Commission, and the Commissioner of Public Lands. Section 9 of said agreement provides that no wells shall be drilled on lands subject to the agreement except under a plan of development approved by the Commission, the State Commissioner, and the Supervisor. Development to date on lands committed to the agreement has been carried on by the unit operator under plans of development so approved which include well spacing.

As the unit agreement provides a means of establishing well spacing within the control of the Commission, the Commissioner, and the Supervisor, it appears that the requested order of the Commission establishing 320-acre well spacing is unnecessary for lands subject to the agreement. The net effect of the requested order, therefore,

would be to control (1) well spacing on 417 acres of non-committed land within the participating area of the unit, 160 acres of which is unleased Federal land which will be committed when leased, and (2) well spacing on 857 acres of non-committed land in the non-participating area of the unit and on 8,640 acres adjoining the northwest boundary of the unit area, most of which land appears to be of questionable value for commercial production in the Pictured Cliffs formation on the basis of present development.

If the Commission should find that the requested order is necessary, it is our opinion that such order should provide that lands subject to the Gallegos Canyon Unit Agreement are excepted from any provisions of the order that are contrary to the provisions of the unit agreement.

Very truly yours,


JOHN A. ANDERSON
Regional Oil and Gas Supervisor

Copy to: ✓ Oil Conservation Commission
Santa Fe

GLENN J. SMITH
First National Bldg.
Tulsa, Okla.

March 18, 1953

Cases: 247
377

ILLEGIBLE

Conoco-Contin
1501 Petroleum Building
Oklahoma City, Oklahoma

Attention: Mr. Jack London, Jr.

Re: Proposed Expansion Callegas Canyon Unit
and Pictured Cliffs Participating Area

Gentlemen:

We have received your letter of February 20th concerning the proposed expansion of the above described unit by the inclusion of Sections 35 and 36-28N-12W, 8 1/2 Section 31-29N-11W, Section 4 and NE 1/4 Section 5-27N-12W. We also received the notice of the proposed expansion dated March 5, 1953.

We have also received copy of a letter from Mr. Thomas S. Scott, Jr., president of Brookhaven Oil Company, addressed to your company, in which he expressed his disapproval of the expansion, and gave his reasons for the disapproval. We wish to take this opportunity to say that we also oppose the expansion, and that Mr. Scott's views on the matter very clearly express the reasons for our opposition. We do not feel that this expansion will protect drainage of the unit in the most economical manner, and we do not feel we should be required to pay our proportionate part for all the developed wells in the area which you propose to take into the unit.

Yours very truly,

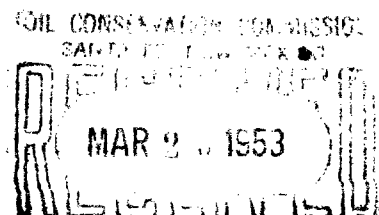
GJ:mb

cc: Stanclind Oil & Gas Company
Tulsa, Oklahoma

Mid-Continent Petroleum Corporation
Attn: Mr. Albert Pierce, Production Dept.
Tulsa, Oklahoma

The Texas Company
Tulsa, Oklahoma

Brookhaven Oil Company
Attn: Mr. Theo. S. Scott, Jr., President
P. O. Box 644, Albuquerque, New Mexico



cc: The Supervisor
United States Geological Survey
Southwestern Region
Roswell, New Mexico

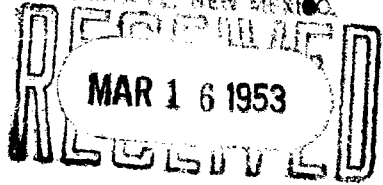
Superintendent of Navajo Indian Reservation
c/o The Supervisor
United States Geological Survey
Roswell, New Mexico

Commissioner of Indian Affairs
c/o The Supervisor
United States Geological Survey
Roswell, New Mexico

New Mexico State Land Commissioner
Santa Fe, New Mexico

Oil Conservation Commission
State Capitol
Santa Fe, New Mexico

ILLEGIBLE



March 13, 1953.

Benson-Montin
1501 Petroleum Building
Oklahoma City, Oklahoma

Re: Notice of Proposed Expansion
of the Gallegos Canyon Unit
and the Pictured Cliffs
Participating Area, San Juan
County, New Mexico

Att: Mr. Jack London, Jr.

Dear Sirs:

Referring to the above notice dated March 5, 1953, and map of unit development attached thereto, our firm wishes to oppose said expansion of the Gallegos Canyon Unit and I will hereinafter comment on the statements made in such notice.

As expressed by Benson-Montin, unit operator of the Gallegos Canyon Unit, in their letter to the working interest owners, dated February 20, 1953, they state that the proposed expansion is for the following reasons:

"At the hearing of the New Mexico Oil Conservation Commission Case No. 377 relative to 320-acre spacing in the Gallegos Canyon Area, it was pointed out that some means would have to be provided to protect the unitized land from drainage to the more densely drilled area to the south and east of the Unit, and we represented at this hearing that drainage from the unitized lands would be effectively prevented by drilling the south row of sections within the Unit on the 160-acre spacing."

(It must be remembered that in the above case, Benson-Montin, as operators, originally proposed and obtained this 320 acre spacing within the Gallegos Canyon Unit area even though the balance of the West Kuts Pictured Cliffs Pool was without proration and drilled on 160 acre spacing.)

COMMENTS ON NUMBERED ARTICLES - NOTICE OF PROPOSED EXPANSION

1. Benson-Montin proposes to expand the Unit by bringing into the Unit certain properties belonging to Benson-Montin only. No one else's properties, such as those in Section 9 and the NW/4 of Section 5-27N-12W, are included as part of the expansion.

Benson-Montin must be supported by 60% of the working interest of the Gallegos Canyon Unit, not a mere majority. We would like to point

Benson-Montin
March 13, 1953
Page 2.

out that the interest of Benson-Montin (approximately 21.13%) plus the interest of Stanolind Oil and Gas Company (approximately 32.31%) would make the majority. Benson-Montin obtained their interest on a farmout from Stanolind Oil and Gas Company. The other large interests in the Unit are Texas Company (approximately 9.63%), Mid-Centinent Petroleum Corporation (approximately 18.77%) and Astec Oil & Gas Company (approximately 6.17%), with the result that three unit working interests out of a total of approximately eighteen can effect this expansion unless the authority of the United States Government, or of Indian Affairs, or of the State of New Mexico intervene and deny the proposal.

2. Benson-Montin's statement in Notice of Proposed Expansion of March 5, 1953, i.e.

"This expansion is proposed primarily as the most economical, quickest and most effective manner in which to protect the unit from drainage to the more densely drilled area to the south and east of the unit."

- (a) Benson-Montin have failed to place on the enclosed map to their notice of proposal a dry hole drilled by them through the Pictured Cliffs sand in the NW/4 of Section 31-28N-11W.
- (b) Benson-Montin propose to drill two wells in the S/2 of Section 36-28N-12W (after they are included in the Unit.)
- (c) The potential of the wells in the S/2 of Section 31-28N-11W and in the whole of Section 36-28N-12W are of such low potential as to indicate no or little drainage from the Unit. Benson-Montin drilled a dry hole in the NW/4 of the above mentioned Section 31. Within the Unit, the well drilled in the SW/4 of Section 25 is of extremely low potential, namely 150 MCF. Rather than expand the Unit into this unfavorable area, we recommend the immediate drilling within the Unit, as now constituted, of a well in the SE/4 of Section 26, and in the SE/4 of Section 27, and in the SE/4 of Section 33, and in the SE/4 of Section 32. Should the Unit be expanded, two wells, namely in the S/2 of Section 36, would have to be drilled, that is, on the present property now owned by Benson-Montin.

As to expanding the Unit insofar as it includes the NE/4 of Section 5-27N-12W, this well on the map shows a rated potential of 600 MCF, which again would indicate no or little present drainage from the Unit. It would be much better for the unit operators that they drill the necessary well mentioned above in the SE/4 of Section 32 offsetting the NE/4 of Section 5. This proposed well has to be drilled in any case and it should have a greater potential than the well in the NE/4 of Section 5.

Benson-Montin
March 13, 1953.
Page 3.

(c) Continued

To our mind, their proposals to enlarge the Unit are neither the most economical, at least to the unit participants, nor the quickest nor the most effective manner in which to protect the Unit from drainage.

3. Benson-Montin's request for 320 acre spacing in the Gallegos Canyon Unit as against 160 acre spacing outside the Unit and without proration of the wells on the 160 acre spacing, is entirely contrary to all principles of conservation, proper recovery, etc. By issuing Order R-172 (Case 377), the New Mexico Oil Conservation Commission disregarded all the principles of engineering, conservation and equity for the West Kutz Pictured Cliffs Pool. Benson-Montin, having requested and having obtained approval for the 320 acre spacing, now recommends that the Unit purchase their property by expanding the Unit in order to protect the Unit from drainage. In other words, the protection from drainage is caused by the 320 acre spacing that they requested and had approved. I understand Benson-Montin have offered their properties for sale, that is, their interest in the Unit and their interests outside the Unit. If the expansion of the Unit is approved, the participants of the Unit actually pay Benson-Montin for the investment Benson-Montin have in the properties and take a lesser share in the whole expanded Unit. Except for Section 35, Benson-Montin's properties are of low potential.
4. Benson-Montin's statement in Notice of Proposed Expansion of March 5, 1953, i.e.

"The acreage to be included in the proposed expansion is owned by the unit operator and has been drilled on 160 acre spacing pattern."

What Benson-Montin advocated for the Unit, they failed to advocate for their own properties. Now, having found that the two wells in the S/2 of Section 31-28N-12W are of low potential and are offset by a dry hole; and the two wells to be drilled in Section 36-28N-12W will probably be of low potential and the present well in the NE/4 of Section 5-27N-12W is of low potential and the spacing being 160 acres, they wish to put them in the Unit and get some of their money back. This is contrary to all the principles of equity, particularly since it will not effect the drainage problem to any material extent. Approximately, Benson-Montin having a 21% interest in the Unit, they will have refunded to them by the unit operators approximately 79% of their costs on these low potential wells.

It must be remembered that the Unit as a whole is only developed to a small degree and over a comparatively small area.

It should also be remembered that expanding the Unit to bring in low potential wells may start a very bad practice along all the borders of the Unit.

Benson-Montin
March 13, 1953.
Page 4.

5. Benson-Montin's statement in Notice of Proposed Expansion of
March 5, 1953, i.e.

"The proposed effective date of this expansion is February 1, 1953.
The expansion will serve to conserve critical materials ... etc."

I know of no shortage of critical materials at the present time
nor for the immediate future. Nevertheless, even if such is the
case, Benson-Montin drilled their other wells on 160 spacing when
materials were much more critical and withheld their properties
from the Unit.

6. Relative to suffering depletion of reserves, here Benson-Montin
acknowledges that the 320 acre spacing pattern in the Unit causes
the Unit to suffer depletion of reserves. Yet they say the acreage
which they now propose putting in the Unit is suffering less than
the acreage in the Unit. The obvious sense to this statement is
that there are more wells of low potential per Unit area on Benson-
Montin's properties than there are within the Unit.

As against enlarging the Unit, it is proposed that

- (a) The unit area of production be not changed until more wells are
drilled within the unit and until such time as the producing area
has been better defined. There may be a number of adjustments
along the borders.
- (b) Wells be drilled immediately within the Unit in the SE/4 of Section 32;
NE/4 of Section 32; SE/4 of Section 33 and the NW/4 of Section 33; and
the SE/4 of Section 26.
- (c) Unit to be then developed by drilling wells in the higher potential
areas within the Unit.
- (d) Order R-172 of the New Mexico Oil Conservation Commission be cancelled
or that proration outside of the Unit where wells are drilled on
160 acre spacing be effected.

Very truly yours,

BROOKHAVEN OIL COMPANY

Thos. B. Scott, Jr.
Thos. B. Scott, Jr.
President

TBS:ms

CC: The Supervisor
United States Geological Survey
Southwestern Region
Roswell, New Mexico

Benson-Montin
March 13, 1953.
Page 5.

CC: Superintendent of Navajo Indian Reservation
C/o The Supervisor
United States Geological Survey
Roswell, New Mexico

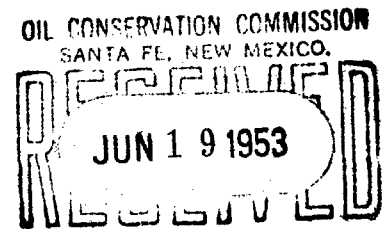
Commissioner of Indian Affairs
C/o The Supervisor
United States Geological Survey
Roswell, New Mexico

New Mexico State Land Commissioner
Santa Fe, New Mexico

✓ Oil Conservation Commission
State Capitol
Santa Fe, New Mexico

J. O. SETH
A. K. MONTGOMERY
OLIVER SETH
WM. FEDERICI
JUSTIN T. REID

SETH AND MONTGOMERY
ATTORNEYS AND COUNSELORS AT LAW
111 SAN FRANCISCO ST.
SANTA FE, NEW MEXICO



June 17, 1953

Mr. R. R. Spurrier
OIL CONSERVATION COMMISSION
Capitol Building
Santa Fe, New Mexico

Not used

Dear Dick:

Re: Case No. 377 - continuation order

I have drafted and enclose two copies of a proposed Order of the Commission formally continuing the Benson & Montin hearing in the above case, and providing that the existing spacing order (R-172) remain in effect until the hearing is disposed of.

Please let me know when the order is entered so I can advise my client. Order No. R-172 was entered on July 24, 1952, as you mentioned.

Let me know if I can do anything else in connection with this continuance.

Thanks.

Very truly yours,

Justin

JTR:f
Enc.

BEFORE THE OIL CONSERVATION COMMISSION OF
THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION COMMISSION
FOR THE PURPOSE OF CONSIDERING:

CASE NO. 377
ORDER NO. _____

THE COMMISSION'S ORDER DIRECTED TO
BENSON & MONTIN TO SHOW CAUSE WHY A
160-ACRE SPACING PATTERN SHOULD NOT
BE INSTITUTED FOR PICTURED CLIFFS
WELLS IN THE GALLEGOS CANYON UNIT AREA,
SAN JUAN COUNTY, NEW MEXICO, TO SUPER-
SEDE THE 320-ACRE SPACING PATTERN ESTABLISHED
FOR A ONE-YEAR PERIOD AFTER ORIGINAL HEARING.

ORDER OF THE COMMISSION

This cause came on regularly for hearing at 9:00 a.m.,
June 16, 1953, at Santa Fe, New Mexico, before the Oil Conservation
Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this _____ day of _____, 1953, the Commission,
a quorum being present, having heard respondent's Motion for
Continuance of this hearing, and there being no objection thereto,
and good cause being shown therefor, and the Commission being fully
advised,

IT IS THEREFORE ORDERED that this hearing be continued until
the regular August, 1953, hearing before the Commission; and that
Order No. R-172, heretofore entered herein, remain in full force
and effect until the disposition of such hearing.

ENTERED this _____ day of _____, 1953.

District Judge

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

December 21, 1953

C
O
P
Y

Mr. A. R. Greer
BENSON & MONTIN
315-1/2 West Main Street
FARMINGTON N M

Dear Sir:

RE: OCC Case 377

Enclosed is assigned copy of Order R-172-B entered by the Commission on December 17, 1953, in Case 377.

Very truly yours,

W. B. Macey
Chief Engineer

WBM:nr

TO:

THE STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

In the Matter of the Application
of Benson & Montin for an order
establishing uniform 320 acre spac-
ing of gas wells drilled to the
Pictured Cliffs formation of the
Gallegos Canyon Unit area and cer-
tain lands adjacent thereto in Town-
ship 28 and 29, North Ranges 12 and
13 West, N.M.P.M., San Juan County,
New Mexico

Re: Case No. 377.

P E T I T I O N .

We, the undersigned land owners of record within the above described area and adjacent lands thereto, strongly oppose the request for 320 acre spacing of Gas Wells drilled to the Pictured Cliffs formation as requested by Benson and Montin.

We state that not enough drilling has been done to justify a spacing of 320 acres for each gas well, and that many small land owners and Royalty owners will be deprived of their just and fair share of gas and oil under such lands.

We strongly oppose the 320 acre spacing, and respectfully request the New Mexico Oil Conservation Commission to retain not more than the present 160 acre spacing of gas wells to the Pictured Cliffs formation, and direct that this Petition be admitted as evidence at the hearing on June 19, 1932, as our valid protest against such proposed spacing regulations.

| Date | Name | Address | Sec. Twp. Range Acres |
|------|---------------------------------|---------|-------------------------|
| | Dorothy Head, Farmington | | |
| | Mary E. Hodgson | | 160 |
| | J. D. Whitbrook | | 14-15-29-13-60 |
| | M. W. Armon | | 22-29N13W(2) |
| | Mrs Vesta Lee Harber | | 14-29N13W 53. A |
| | George Hartshorn | | Sec 20-29-29N-13W 200 A |
| | Daisy Lee Walker & J. H. Walker | | 14-29-B 35 |
| | Jesse C. Pittman | | 15-29N13W 4 |
| | Lucy Mae Kempton | | 15-29-13 40 A |
| | Mervin Kempton | | 15-29-13 40 A |



Name _____

Address

154



Abstract

THE

TO:

THE STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

In the Matter of the Application
of Benson & Montin for an order
establishing uniform 320 acre spac-
ing of gas wells drilled to the
Pictured Cliffs formation of the
Gallegos Canyon Unit area and cer-
tain lands adjacent thereto in Town-
ship 28 and 29, North Ranges 12 and
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| Date | Name | Address | Sec. Twp. Range Acres |
|---------|-----------------------------------|--------------|--|
| 4-11-52 | Merl Triplett | Farminington | 15-29N.13 W.30 |
| 6-11-52 | Bernice A. Burnham | " | 10-29N 2W 150 |
| 6-11-52 | John Graham | " | 22 29N 13W 60 |
| 6-11-52 | Mrs John Graham | " | " " " " |
| 6-16-52 | Harris J. Penkney | H. Head | SE 1/4 BE 1/4 Sec 21 S 1/4 SW 1/4 Sec 22 NE 1/4 NW 1/4 Sec 27 29N 13W 160 |
| | Indian Allotment No. 9 | | |
| | By Dorothy B. Head | | |
| 6-16-52 | Martha J. Head | | NW 1/4 SW 1/4 29N 13W 1A. |
| | By Dorothy Head, Attorney in fact | | |
| 6-18-52 | Anna B. Collyer | | 21-22-29 N 93A 13 W. |
| | Ethel T. Collyer | | " " " " |

| Date | Name | Address | Sec. | Twp. | Range | Acres |
|-------------|----------------|------------------|------|------|-----------|----------|
| June 18, 52 | A C Nelson | Farmington | 22 | 29 N | 13 W | 20 |
| June 18, 52 | F L Lee | Farmington | 20 | 29 | 29 N 13 W | 200 A |
| June 18 52 | Thomas D Kirby | Farmington N. M. | 19 | 29 N | 12 W | 80 acres |

TO:

THE STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

In the Matter of the Application
of Benson & Montin for an order
establishing uniform 320 acre spac-
ing of gas wells drilled to the
Pictured Cliffs formation of the
Gallegos Canyon Unit area and cer-
tain lands adjacent thereto in Town-
ship 28 and 29, North Ranges 12 and
13 West, N.M.P.M., San Juan County,
New Mexico

Re: Case No. 377.

P E T I T I O N .

We, the undersigned land owners of record within the above described area and adjacent lands thereto, strongly oppose the request for 320 acre spacing of Gas Wells drilled to the Pictured Cliffs formation as requested by Benson and Montin.

We state that not enough drilling has been done to justify a spacing of 320 acres for each gas well, and that many small land owners and Royalty owners will be deprived of their just and fair share of gas and oil under such lands.

We strongly oppose the 320 acre spacing, and respectfully request the New Mexico Oil Conservation Commission to retain not more than the present 160 acre spacing of gas wells to the Pictured Cliffs formation, and direct that this petition be admitted as evidence at the hearing on June 19, 1952, as our valid protest against such proposed spacing regulations.

| Date | Name | Address | Sec. | Twp. | Range | Acres |
|-----------|----------------------------|------------|------|------|-------|-------|
| 6/10/1952 | Arthur Roy Farmington | N.M. | 13 | 28 | 13 | 32 |
| | | | 14 | 29 | 13 | 32 |
| 6/10/1952 | Mrs. Arthur Roy Farmington | N.M. | 13 | 28 | 13 | 32 |
| | | | 14 | 29 | 13 | 32 |
| 6/10/1952 | Rud and T. Nelson | | 14 | 29 | 13 | 100 |
| 6/11/1952 | Herrell Hutton | Farmington | 14 | 29 | 13 | 10 |
| 6/11/1952 | May E. Hutton | Farmington | 14 | 29 | 13 | 10 |
| 6/11/1952 | R. C. Harkness | | 14 | 29 | 13 | 50 |
| 6/11/1952 | B. S. Compton | | 14 | 29 | 13 | 100 |
| 6/11/1952 | C. S. Compton | | 14 | 29 | 13 | 100 |
| | | Farmington | 22 | 23 | 29-13 | 300 |
| | | | 22 | 23 | 29-13 | 300 |
| | | | 22 | 23 | 29-13 | 300 |

| <u>Date</u> | <u>Name</u> | <u>Address</u> | <u>Sec.</u> | <u>Twp.</u> | <u>Range</u> | <u>Acres</u> |
|-------------|----------------|-------------------------|-------------|-------------|--------------|-----------------|
| 6-11-52 | B. L. Wickoff | Box 101 Farmington N.M. | 14 | 29 | 13 | 15 |
| | | | 18 | 29 | 13 | 2 $\frac{3}{4}$ |
| 6-11-52 | Mr B L Wickoff | " | 14 | 29 | 13 | 15 |
| | | | 18 | 29 | 13 | 2 $\frac{3}{4}$ |
| 6-18-52 | B. E. Dutton | | 14 | 29 | 13 | 152 |

CORE LABORATORIES, INC.
Petroleum Reservoir Engineering
DALLAS, TEXAS
December 27, 1951

Benson & Montin
Box 337
Aztec, New Mexico

Attention: Mr. A. R. Greer, Jr.

Subject: Special Core Analysis
Gallegos Canyon Unit No. 2 Well
West Kutz Field
San Juan County, New Mexico

Gentlemen:

Diamond conventional cores from the Pictured Cliffs formation in the subject well have been sampled and quick-frozen by a representative of Core Laboratories, Inc., and later analyzed in our Worland, Wyoming laboratory by special analysis methods. Results of the analysis are presented in tabular and graphical form on the attached Coregraph. Water base mud was used as the drilling fluid.

Special analysis performed on the samples includes measurements of maximum permeability, 90° from the maximum, porosity and liquid saturations.

Chloride determinations were made from every fifth foot of formation and are reported in parts per million of pore water on page one.

It is believed that the formation from 1332 to 1389.3 feet would possibly be gas productive after shooting with nitroglycerin.

Average data for the zone, 1332 to 1389.3 feet, are presented on page two.

We hope these data prove beneficial in the evaluation of this well.

Very truly yours,

Core Laboratories, Inc.

J D Harris (PB)

J. D. Harris,
District Engineer

JDH:aa

Benson & Montin
Gallegos Canyon Unit No. 2 Well
West Kutz Field
San Juan County, New Mexico

Page: 1 of 2
File : WL-87 S

Chloride Determinations

| <u>Sample Number</u> | <u>Depth: Feet</u> | <u>cc AgNO3</u> | <u>PPM Pore Water</u> |
|--------------------------|------------------------|-----------------|---------------------------|
| 4 | 1334.9-36.2 | 4.6 | 49,100 |
| 9 | 1340.5-41.4 | 3.6 | 30,300 |
| 14 | 1345.9-47.0 | 1.9 | 29,500 |
| 19 | 1350.7-51.7 | 4.3 | 31,200 |
| 24 | 1355.1-56.0 | 4.1 | 34,200 |
| 29 | 1360.5-61.6 | 4.9 | 36,400 |
| 32 | 1372.5-73.7 | 4.6 | 46,200 |
| 34 | 1377.3-78.4 | 3.9 | 28,200 |
| 37 | 1382.8-83.8 | 3.8 | 27,100 |
| 41 | 1387.4-88.3 | 3.7 | 27,100 |

CORE LABORATORIES, INC.
Petroleum Reservoir Engineering
DALLAS

Page 2 of 2
 File WL-87 S
 Well Gallegos Canyon Unit
 No. 2

CORE SUMMARY AND CALCULATED RECOVERABLE OIL

CORE SUMMARY

| | | | | |
|--|-------------------------|--|--|--|
| FORMATION NAME | Pictured Cliffs | | | |
| DEPTH, FEET | 1332.0-1389.3 | | | |
| % CORE RECOVERY | 84 | | | |
| FEET OF PERMEABLE, PRODUCTIVE FORMATION RECOVERED | 43.2 | | | |
| AVERAGE PERMEABILITY MILLIDARCYS | Max.: < 0.1 90°: 0.0 | | | |
| CAPACITY — AVERAGE PERMEABILITY X FEET PRODUCTIVE FORMATION | Max.: 2.1 90°: 0.0 | | | |
| AVERAGE POROSITY, PERCENT | 17.0 | | | |
| AVERAGE RESIDUAL OIL SATURATION, % PORE SPACE | 0.0 | | | |
| GRAVITY OF OIL, °A.P.I. | | | | |
| AVERAGE TOTAL WATER SATURATION, % PORE SPACE | 61.5 | | | |
| AVERAGE CALCULATED CONNATE WATER SATURATION, % PORE SPACE | 61.5 | | | |
| SOLUTION GAS-OIL RATIO, CUBIC FEET PER BARREL (1) | | | | |
| FORMATION VOLUME FACTOR—VOLUME THAT ONE BARREL OF STOCK TANK OIL OCCUPIES IN RESERVOIR (1) | | | | |

CALCULATED RECOVERABLE OIL { Prediction dependent upon complete isolation of each division. Structural position of well, total permeable thickness of oil zone and drainage area of well should be considered.

| | | | | |
|---|-----|--|--|--|
| BY NATURAL OR GAS EXPANSION, BBLS. PER ACRE FOOT (2) | (4) | | | |
| INCREASE DUE TO WATER DRIVE, BBLS. PER ACRE FOOT | (4) | | | |
| TOTAL AFTER COMPLETE WATER DRIVE, BBLS. PER ACRE FOOT (3) | (4) | | | |

Core Laboratories, Inc.

J. D. Harris (pg)
 J. D. Harris

NOTE:

(*) REFER TO ATTACHED LETTER.

(1) REDUCTION IN PRESSURE FROM SATURATION PRESSURE TO ATMOSPHERIC PRESSURE.

(2) AFTER REDUCTION FROM ORIGINAL RESERVOIR PRESSURE TO ZERO POUNDS PER SQUARE INCH.

(3) RESERVOIR PRESSURE MAINTAINED BY WATER DRIVE AT OR ABOVE ORIGINAL SATURATION PRESSURE.

(4) NO ESTIMATE FOR GAS PHASE RESERVOIRS.

These analyses, opinions or interpretations are based on observations and materials supplied by the client to whom, and for whose exclusive and confidential use, this report is made. The interpretations or opinions expressed represent the best judgment of Core Laboratories, Inc. (all errors and omissions excepted); but Core Laboratories, Inc. and its officers and employees assume no responsibility and make no warranty or representation, as to the productivity, proper operation, or profitability of any oil, gas or other mineral well or sand in connection with which such report is used or relied upon.

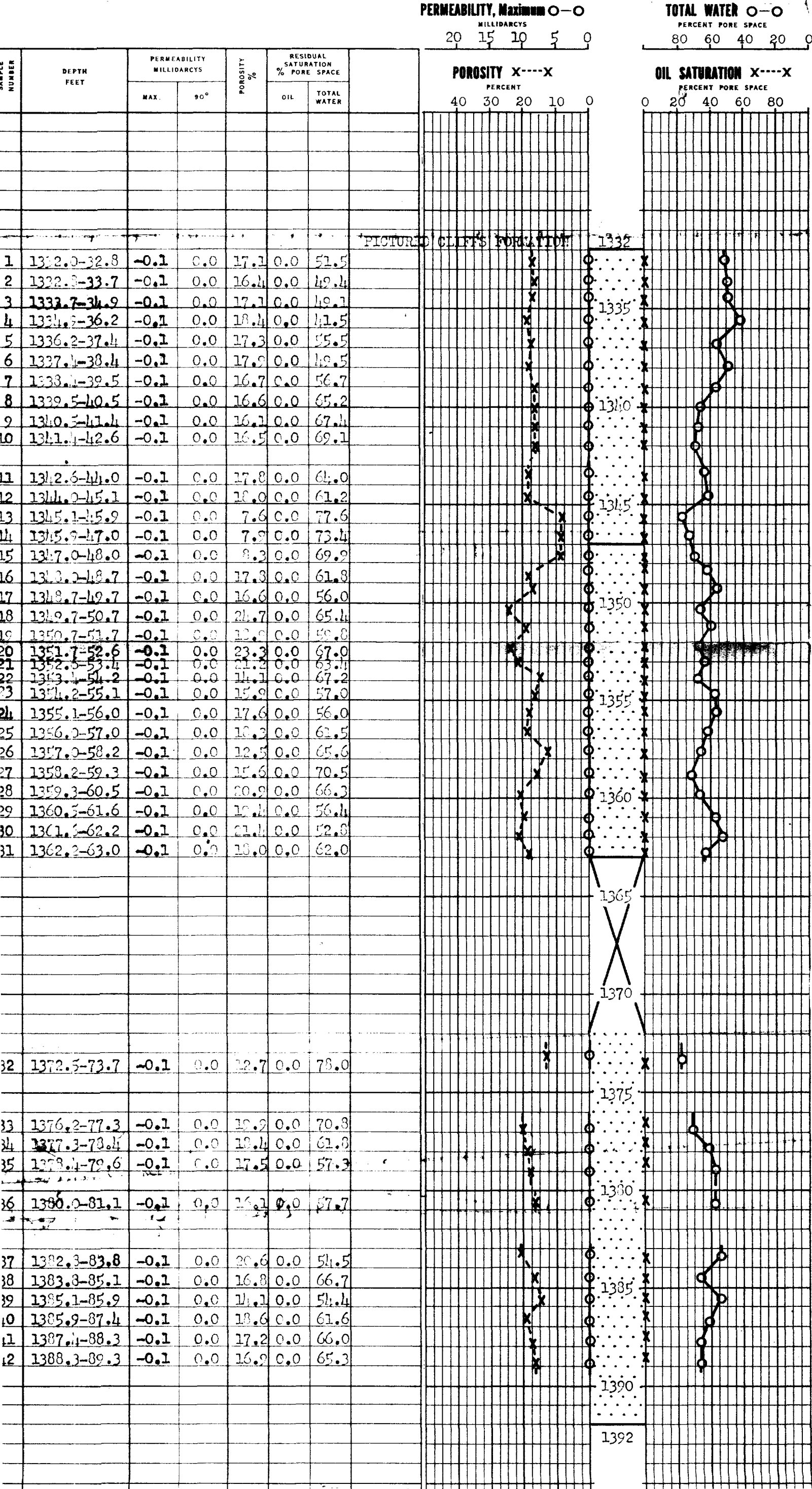


| | | | | | |
|----------|----------------------------|-----------|-----------------|------------|----------------|
| COMPANY | BENSON AND SUTHER | DATE ON | OCT. 1, 1951 | FILE NO. | WL-87 (S) |
| WELL | GALLAGOS CANYON UNIT NO. 2 | DATE OFF | NOV. 9, 1951 | ENGRS. | R.O. ALBERT |
| FIELD | WEST KUTZ | FORMATION | PICTURED CLIFFS | ELEV. | 5380' KB |
| COUNTY | SAN JUAN | STATE | N.M. | DRLG. FLD. | WATER BASE MUD |
| LOCATION | SEC. 35-T20N-R10E | CORES | DIAMOND CONV. | REMARKS | |

Special Analysis
CORE REPORT



These analyses, opinions, or interpretations are based on observations and material supplied by the client to whom, and for whose exclusive and confidential use, this report is made. The interpretations or opinions expressed represent the best judgment of Core Laboratories, Inc. (all errors and omissions excepted) and Core Laboratories, Inc. and its officers and employees assume no responsibility and make no warranty or representations as to the propriety or desirability of any action or inaction, or of any oil, gas, or other mineral well or sand in connection with which such report is used or relied upon.



CORE LABORATORIES, INC.
Petroleum Reservoir Engineering
DALLAS, TEXAS

October 30, 1951

Benson & Montin
Box 337
Aztec, New Mexico

Attention: Mr. A. R. Greer, Jr.

Subject: Core Analysis
Gallegos Canyon Unit No. 7 Well
Wildcat
San Juan County, New Mexico

Gentlemen:

Diamond conventional cores from the subject well in the Pictured Cliffs formation have been sampled and quick-frozen by a representative of Benson & Montin and later analyzed in our Farmington, New Mexico laboratory. Results of analysis are presented in tabular and graphical form on the attached Coregraph. Water base mud was used as the drilling fluid.

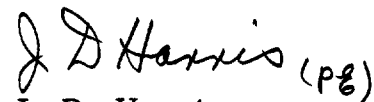
Sand analyzed from 1406 to 1485 feet is interpreted to be primarily low capacity, gas productive. The points indicated by an asterisk on the Coregraph show higher water saturations than are normal and might possibly show some water-cut on production.

Special analysis is being performed on large segments of the core from this well and will be presented in a separate report.

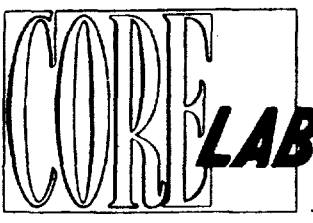
We hope these data prove beneficial in the evaluation of this well.

Very truly yours,

Core Laboratories, Inc.

 (pg)
J. D. Harris,
District Engineer

JDH:aa



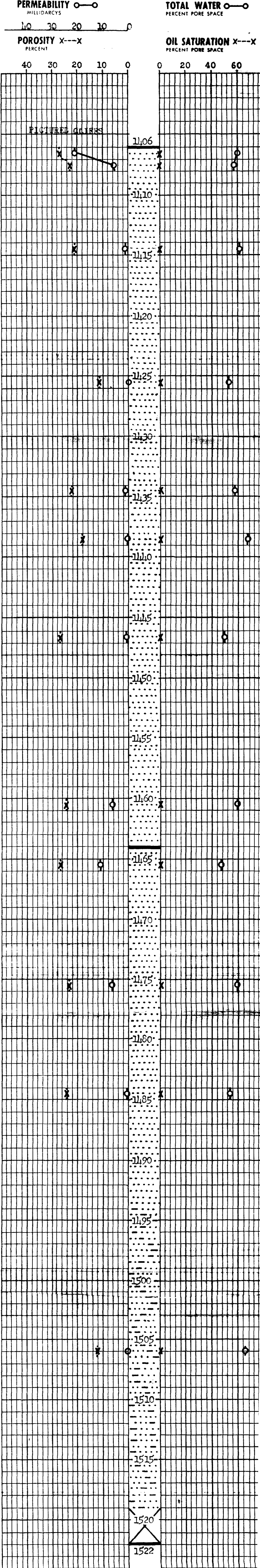
COMPANY BENSON & MONTAN DATE 10/15/51 FILE FMML-30FC
WELL GALLAGOS CANYON UNIT # 7 CORES DIAMOND ANALYSTS L.N.V.
FIELD WILDCAT FORMATION PICTURED CLIFFS ELEVATION _____
COUNTY SAN JUAN DRIG. FLUID WATER BASE MUD LOCATION SEC. 30-28N-12W
STATE NEW MEXICO REMARKS SERVICE # 5

These analyses, opinions or interpretations are based on observations and material supplied by the client to whom, and for whose exclusive and confidential use, this report is made. The interpretations or opinions expressed represent the best judgment of Core Laboratories, Inc. (all errors and omissions excepted); but Core Laboratories, Inc. and its officers and employees, assume no responsibility and make no warranty or representations as to the productivity, proper operation, or profitability of any oil, gas or other mineral well or sand in connection with which such report is used or relied upon.

CORE ANALYSIS AND INTERPRETATION

COMPLETION COREGRAPH

| SAMPLE NUMBER | DEPTH FEET | PERMEABILITY MILLIDARCY | POROSITY % | RESIDUAL LIQUID SATURATION % PORE SPACE | | PROBABLE PROD |
|---------------|------------|-------------------------|------------|---|-------------|---------------|
| | | | | OIL | TOTAL WATER | |
| 1 | 11406.5 | 21 | 27.0 | 0.0 | 60.0 | GAS |
| 2 | 11408.0 | 5.9 | 23.0 | 0.0 | 57.8 | * |
| 3 | 11414.5 | 1.3 | 21.5 | 0.0 | 61.3 | * |
| 4 | 11425.5 | 0.0 | 11.5 | 0.0 | 53.0 | |
| 5 | 11433.5 | 1.3 | 22.7 | 0.0 | 57.3 | * |
| 6 | 11438.5 | 0.1 | 18.1 | 0.0 | 67.4 | * |
| 7 | 11446.5 | 0.7 | 26.5 | 0.0 | 48.6 | GAS |
| 8 | 11460.5 | 6.5 | 24.6 | 0.0 | 59.3 | * |
| 9 | 11465.5 | 11 | 26.6 | 0.0 | 47.0 | GAS |
| 10 | 11475.5 | 6.1 | 23.7 | 0.0 | 59.5 | * |
| 11 | 11484.5 | 0.5 | 24.7 | 0.0 | 54.0 | GAS |
| 12 | 1506.0 | 0.0 | 12.4 | 0.0 | 65.3 | |



CORE LABORATORIES, INC.
Petroleum Reservoir Engineering
DALLAS, TEXAS

October 12, 1951

Benson & Montin
Box 337
Aztec, New Mexico

Attention: Mr. A. R. Greer

Subject: Core Analysis
Gallegos Canyon Unit No. 2 Well
Wildcat
San Juan County, New Mexico

Gentlemen:

Conventional cores from the subject well in the Pictured Cliffs formation have been sampled and quick-frozen by a representative of Benson & Montin and analyzed in our Farmington, New Mexico laboratory. Results of analysis are presented in tabular and graphical form on the attached Coregraph. Water base mud was used as the drilling fluid.

Sand analyzed from 1334 to 1361 feet is interpreted to be very low capacity gas productive.


Sand analyzed from 1376 to 1448 feet is interpreted to be primarily water productive.

Skip sampling of the core precludes the possibility of a definite interpretation of results. It is recommended that a sample of core be taken from each foot to obtain more accurate data.

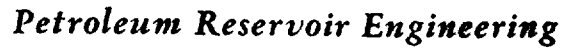
We hope these data prove beneficial in the evaluation of this well.

Very truly yours,

Core Laboratories, Inc.

 (pg)
J. D. Harris,
District Engineer

JDH:aa



Special Analysis
CORE REPORT

These data are subject to the limitations that have been observed in observations and material supplied by the client to whom, and for whose exclusive and confidential use, reports are made. The observations or claims expressed in using the best judgment in *Care Laboratories, Inc.* reports are not intended to be a warranty or representation of any kind, except that *Care Laboratories, Inc.* and its officers and employees assume no responsibility and make no warranty or representations as to the product safety or performance or the probability of occurrence of any of its or other material well or, and in connection with which such report is used or relied upon.

TOTAL WATER ○—○
PERCENT PORE SPACE

80 60 40 20 0

OIL SATURATION X---X
PERCENT PORE SPACE
20 40 60 80

[illegible]

CORE LABORATORIES, INC.
Petroleum Reservoir Engineering
DALLAS, TEXAS
December 27, 1951

Benson & Montin
Box 337
Aztec, New Mexico

Attention: Mr. A. R. Greer, Jr.

Subject: Special Core Analysis
Gallegos Canyon Unit No. 3 Well
West Kutz Field
San Juan County, New Mexico

Gentlemen:

Diamond conventional cores from the subject well in the Pictured Cliffs formation have been sampled and quick-frozen by a representative of Core Laboratories, Inc. and analyzed in our Worland, Wyoming laboratory by special analysis methods. Water base mud was used as the drilling fluid.

Special analysis performed on the samples includes measurements of maximum permeability, 90 degrees from the maximum, porosity and liquid saturations.

Chloride determinations were made from every fifth foot of formation and are reported in parts per million of pore water on page one.

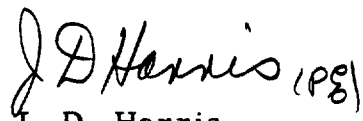
It is believed that this formation from 1668 to 1696 feet would possibly be gas productive after shooting with nitroglycerin.

Average data for the zone, 1668 to 1696 feet, are presented on page two.

We hope these data prove beneficial in the evaluation of this well.

Very truly yours,

Core Laboratories, Inc.

 (pg)
J. D. Harris,
District Engineer

Benson & Montin
Gallegos Canyon Unit No. 3 Well
West Kutz Field
San Juan County, New Mexico

Page: 1 of 2
File : WL-88 S

Chloride Determinations

| <u>Sample Number</u> | <u>Depth: Feet</u> | <u>cc AgNO3</u> | <u>PPM Pore Water</u> |
|--------------------------|------------------------|-----------------|---------------------------|
| 4 | 1671.0-72.2 | 6.0 | 41,200 |
| 7 | 1680.8-82.1 | 9.3 | 73,900 |
| 14 | 1687.8-88.9 | 7.0 | 45,100 |
| 19 | 1693.3-94.1 | 6.5 | 41,800 |

CORE LABORATORIES, INC.

Petroleum Reservoir Engineering

DALLAS

Page 2 of 2File WL-88 SWell Gallegos Canyon Unit

No. 3

CORE SUMMARY AND CALCULATED RECOVERABLE OIL

CORE SUMMARY

| | | | | |
|--|-----------------------|--|--|--|
| FORMATION NAME | Pictured Cliffs | | | |
| DEPTH, FEET | 1668.0-1695.0 | | | |
| % CORE RECOVERY | 100 | | | |
| FEET OF PERMEABLE, PRODUCTIVE FORMATION RECOVERED | 21.2 | | | |
| AVERAGE PERMEABILITY MILLIDARCS | Max: <0.1 90°: 0.0 | | | |
| CAPACITY — AVERAGE PERMEABILITY X FEET PRODUCTIVE FORMATION | Max: 2.1 90°: 0.0 | | | |
| AVERAGE POROSITY, PERCENT | 16.6 | | | |
| AVERAGE RESIDUAL OIL SATURATION, % PORE SPACE | 0.0 | | | |
| GRAVITY OF OIL, °A.P.I. | | | | |
| AVERAGE TOTAL WATER SATURATION, % PORE SPACE | 68.9 | | | |
| AVERAGE CALCULATED CONNATE WATER SATURATION, % PORE SPACE | 68.9 | | | |
| SOLUTION GAS-OIL RATIO, CUBIC FEET PER BARREL (1) | | | | |
| FORMATION VOLUME FACTOR—VOLUME THAT ONE BARREL OF STOCK TANK OIL OCCUPIES IN RESERVOIR (1) | | | | |

CALCULATED RECOVERABLE OIL

{ Prediction dependent upon complete isolation of each division. Structural position of well, total permeable thickness of oil zone and drainage area of well should be considered.

| | | | | |
|---|-----|--|--|--|
| BY NATURAL OR GAS EXPANSION, BBLs. PER ACRE FOOT (2) | (4) | | | |
| INCREASE DUE TO WATER DRIVE, BBLs. PER ACRE FOOT | (4) | | | |
| TOTAL AFTER COMPLETE WATER DRIVE, BBLs. PER ACRE FOOT (3) | (4) | | | |

Core Laboratories, Inc.



J. D. Harris

NOTE:

(*) REFER TO ATTACHED LETTER.

(1) REDUCTION IN PRESSURE FROM

SATURATION PRESSURE TO ATMOSPHERIC PRESSURE.

(2) AFTER REDUCTION FROM ORIGINAL RESERVOIR PRESSURE TO ZERO POUNDS PER SQUARE INCH.

(3) RESERVOIR PRESSURE MAINTAINED BY WATER DRIVE AT OR ABOVE

ORIGINAL SATURATION PRESSURE.

(4) NO ESTIMATE FOR GAS PHASE RESERVOIRS.

These analyses, opinions or interpretations are based on observations and materials supplied by the client to whom, and for whose exclusive and confidential use, this report is made. The interpretations or opinions expressed represent the best judgment of Core Laboratories, Inc. (all errors and omissions excepted); but Core Laboratories, Inc. and its officers and employees assume no responsibility and make no warranty or representation, as to the productivity, proper operation, or profitability of any oil, gas or other mineral well or sand in connection with which such report is used or relied upon.

COMPANY ELIASON AND SOUTHERN DATE ON SEPT. 24, 1951 FILE NO. WL-86 (S)
WELL GALLEGOS CANYON UNIT NO. 4 DATE OFF NOV. 27, 1951 ENGRS. R.O. ALBERT
FIELD WEST KUTZ FORMATION PICTURED CLIFFS ELEV. _____
COUNTY SAN JUAN STATE N.M. DRILLING FLD. WATER BASE MUD CORES DIAMOND CONV.
LOCATION SEC. 28-T29N-R12W REMARKS SERVICE NO. 9

Special Analysis

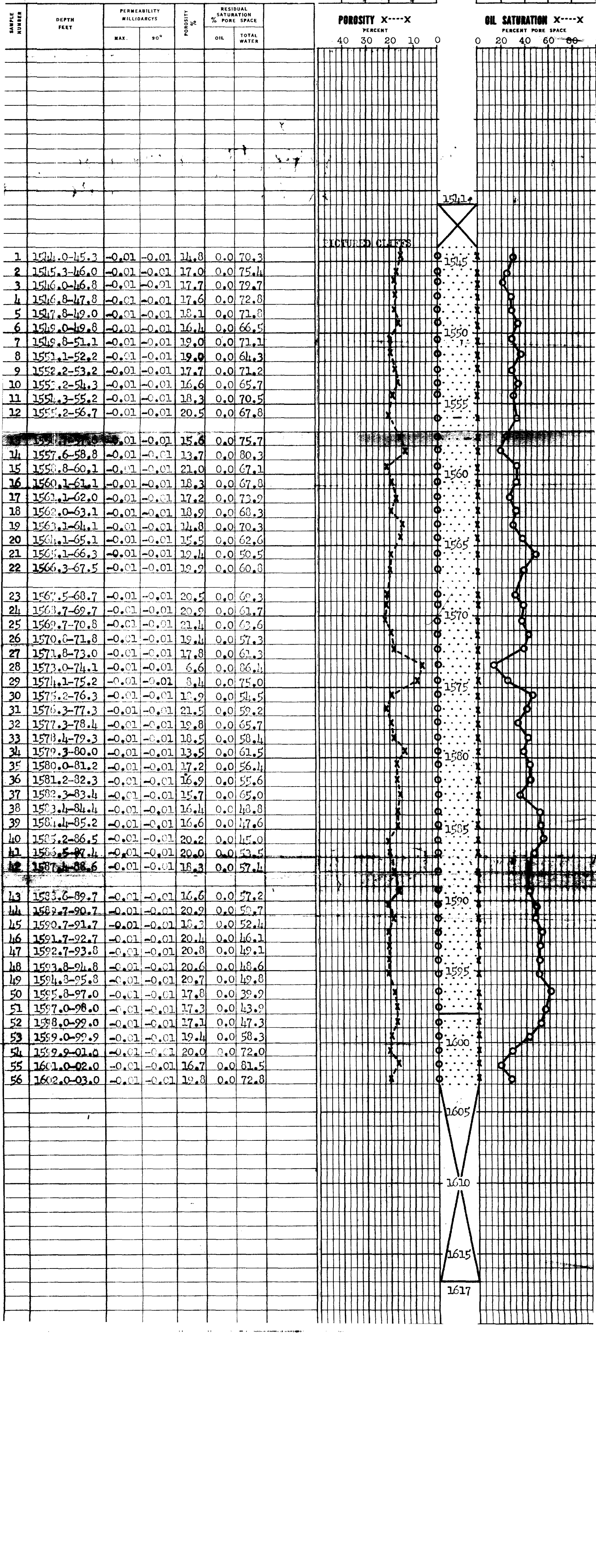
CORE REPORT



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PERMEABILITY, Maximum $\bigcirc-\bigcirc$
MILLIDARCY
20 15 10 5 0

TOTAL WATER $\bigcirc-\bigcirc$
PERCENT PORE SPACE
80 60 40 20 0



CORE LABORATORIES, INC.
Petroleum Reservoir Engineering
DALLAS, TEXAS
January 4, 1952

Benson and Montin
Box 337
Aztec, New Mexico

Attention: Mr. A. R. Greer, Jr.

Subject: Special Core Analysis
Gallegos Canyon Unit No. 4 Well
West Kutz Field
San Juan County, New Mexico

Gentlemen:

Diamond conventional cores from the Pictured Cliffs formation in the subject well have been sampled and quick-frozen by a representative of Core Laboratories, Inc. and later analyzed in our Worland, Wyoming laboratory by special analysis methods. Results of the analysis are presented in tabular and graphical form on the attached Coregraph. Water base mud was used as the drilling fluid.

Special analysis performed on the samples includes measurements of maximum permeability, 90° to the maximum, porosity and liquid saturations.

Chloride determinations were made from approximately every fifth foot of formation and are reported in parts per million of pore water on page one.

It is believed that the formation from 1544 to 1603 feet would possibly be gas productive after shooting with nitroglycerin. Average data for the zone, 1544 to 1603 feet, are presented on page two.

We hope these data prove beneficial in the evaluation of this well.

Very truly yours,

Core Laboratories, Inc.

J D Harris (pg)
J. D. Harris,
District Engineer

JDH:pe

Benson and Montin
Gallegos Canyon Unit No. 4 Well
West Kutz Field
San Juan County, New Mexico

Page: 1 of 2
File : WL-86 S

Chloride Determinations

| <u>Sample Number</u> | <u>Depth: Feet</u> | <u>cc AgNO₃</u> | <u>PPM Pore Water</u> |
|----------------------|--------------------|----------------------------|-----------------------|
| 1 | 1544 | 3.3 | 27,000 |
| 6 | 1549 | 4.0 | 30,800 |
| 11 | 1554 | 4.4 | 28,200 |
| 16 | 1560 | 3.8 | 25,500 |
| 22 | 1567 | 5.3 | 35,600 |
| 27 | 1572 | 4.2 | 31,900 |
| 31 | 1577 | 4.1 | 25,800 |
| 36 | 1582 | 2.9 | 25,600 |
| 41 | 1587 | 3.7 | 27,900 |
| 46 | 1592 | 5.4 | 45,700 |
| 51 | 1597 | 5.7 | 61,500 |
| 56 | 1602 | 7.9 | 44,000 |

CORE LABORATORIES, INC.
Petroleum Reservoir Engineering
DALLAS

Page 2 of 2
 File WL-86 S
 Well Gallegos Canyon Unit No. 4

CORE SUMMARY AND CALCULATED RECOVERABLE OIL

CORE SUMMARY

| | | | | |
|--|--------------------------|--|--|--|
| FORMATION NAME | Pictured Cliffs | | | |
| DEPTH, FEET | 1544.0-1603.0 | | | |
| % CORE RECOVERY | 100 | | | |
| FEET OF PERMEABLE, PRODUCTIVE FORMATION RECOVERED | 59.0 | | | |
| AVERAGE PERMEABILITY MILLIDARCYS | Max: <0.01 90°: <0.01 | | | |
| CAPACITY — AVERAGE PERMEABILITY X FEET PRODUCTIVE FORMATION | | | | |
| AVERAGE POROSITY, PERCENT | 17.9 | | | |
| AVERAGE RESIDUAL OIL SATURATION, % PORE SPACE | 0.0 | | | |
| GRAVITY OF OIL, °A.P.I. | | | | |
| AVERAGE TOTAL WATER SATURATION, % PORE SPACE | 62.5 | | | |
| AVERAGE CALCULATED CONNATE WATER SATURATION, % PORE SPACE | 58 | | | |
| SOLUTION GAS-OIL RATIO, CUBIC FEET PER BARREL (1) | | | | |
| FORMATION VOLUME FACTOR—VOLUME THAT ONE BARREL OF STOCK TANK OIL OCCUPIES IN RESERVOIR (1) | | | | |

CALCULATED RECOVERABLE OIL { Prediction dependent upon complete isolation of each division. Structural position of well, total permeable thickness of oil zone and drainage area of well should be considered.

| | | | | |
|---|-----|--|--|--|
| BY NATURAL OR GAS EXPANSION, BBLs. PER ACRE FOOT (2) | (4) | | | |
| INCREASE DUE TO WATER DRIVE, BBLs. PER ACRE FOOT | (4) | | | |
| TOTAL AFTER COMPLETE WATER DRIVE, BBLs. PER ACRE FOOT (3) | (4) | | | |

Core Laboratories, Inc.

NOTE:

(*) REFER TO ATTACHED LETTER.

(1) REDUCTION IN PRESSURE FROM

SATURATION PRESSURE TO ATMOSPHERIC PRESSURE.

(2) AFTER REDUCTION FROM ORIGINAL RESERVOIR PRESSURE TO ZERO POUNDS PER SQUARE INCH.

(3) RESERVOIR PRESSURE MAINTAINED BY WATER DRIVE AT OR ABOVE

ORIGINAL SATURATION PRESSURE.

(4) NO ESTIMATE FOR GAS PHASE RESERVOIRS.

These analyses, opinions or interpretations are based on observations and materials supplied by the client to whom, and for whose exclusive and confidential use, this report is made. The interpretations or opinions expressed represent the best judgment of Core Laboratories, Inc. (all errors and omissions excepted); but Core Laboratories, Inc. and its officers and employees assume no responsibility and make no warranty or representation, as to the productivity, proper operation, or profitability of any oil, gas or other mineral well or sand in connection with which such report is used or relied upon.

J D Harris (pg)

J. D. Harris

CORE LABORATORIES, INC.
Petroleum Reservoir Engineering
DALLAS, TEXAS
October 30, 1951

Benson & Montin
Box 337
Aztec, New Mexico

Attention: Mr. A. R. Greer, Jr.

Subject: Core Analysis
Gallegos Canyon Unit No. 4 Well
Wildcat
San Juan County, New Mexico

Gentlemen:

Diamond conventional cores from the subject well in the Pictured Cliffs formation have been sampled and quick-frozen by a representative of Benson & Montin and later analyzed in our Farmington, New Mexico laboratory. Results of analysis are presented in tabular and graphical form on the attached Coregraph. Water base mud was used as the drilling fluid.

Sand analyzed from 1549 to 1605 feet is interpreted to be primarily low capacity, gas productive.

Special analysis is being performed on large segments of the core from this well and will be presented in a separate report.

We hope these data prove beneficial in the evaluation of this well.

Very truly yours,

Core Laboratories, Inc.

J D Harris (pg)

J. D. Harris,
District Engineer

JDH:aa



CORE LABORATORIES, INC.

Petroleum Reservoir Engineering

COMPANY BENSON AND MOLTEN DATE ON OCT. 18, 1951 FILE NO. WL-94 (S)
WELL GALLEGOS CANYON UNIT NO. 5 DATE OFF DEC. 10, 1951 ENGRS. R.O. ALBERT
FIELD WEST NUT FORMATION PICTURED CLIFFS ELEV.
COUNTY SAN JUAN STATE N.M. DRLG. FLD. WATER BASE MUD CORES DIAMOND CONE
LOCATION SEC. 13-T23N-R13E REMARKS SERVICE NO. 9

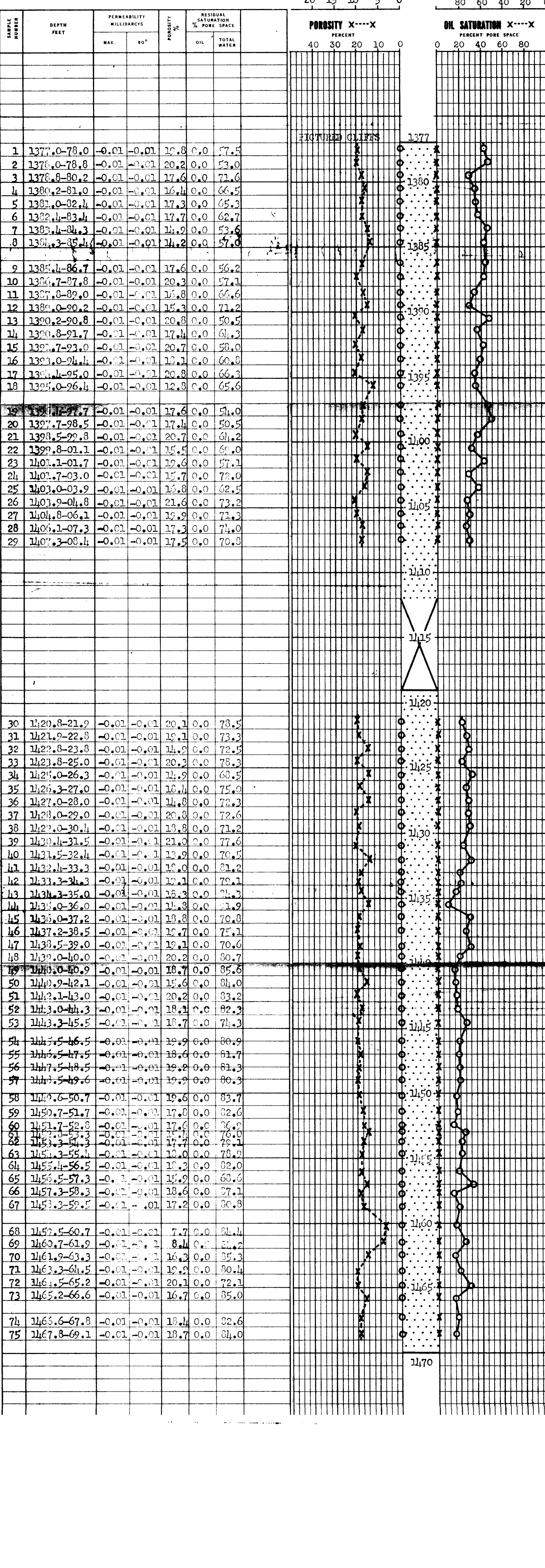
Special Analysis
CORE REPORT

SAND LIMESTONE CONGLOMERATE CHERT
SHALE DOLOMITE

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PERMEABILITY, Maximum O-O
MILLIDARCY
20 15 10 5 0

TOTAL WATER O-O
PERCENT PORE SPACE
80 60 40 20 0



CORE LABORATORIES, INC.
Petroleum Reservoir Engineering
DALLAS, TEXAS
January 4, 1952

Benson and Montin
Box 337
Aztec, New Mexico

Attention: Mr. A. R. Greer, Jr.

Subject: Special Core Analysis
Gallegos Canyon Unit No. 5 Well
West Kutz Field
San Juan County, New Mexico

Gentlemen:

Diamond conventional cores from the Pictured Cliffs formation in the subject well have been sampled and quick-frozen by a representative of Core Laboratories, Inc., and later analyzed in our Worland, Wyoming laboratory by special analysis methods. Results of the analysis are presented in tabular and graphical form on the attached Coregraph. Water base mud was used as the drilling fluid.

Special analysis performed on the samples includes measurements of maximum permeability, 90° from the maximum, porosity and liquid saturations.

Chloride determinations were made from approximately every five feet of formation and are reported in parts per million of pore water on page one.

It is believed that the formation from 1377.0 to 1469.1 feet would possibly be gas productive after shooting with nitroglycerin. Average data for the zone, 1377.0 to 1469.1 feet, are presented on page two.

We hope these data prove beneficial in the evaluation of this well.

Very truly yours,

Core Laboratories, Inc.

J D Harris (pg)
J. D. Harris,
District Engineer

JDH:pe

Benson and Montin
Gallegos Canyon Unit No. 5 Well
West Kutz Field
San Juan County, New Mexico

Page: 1 of 2
File : WL-94 S

Chloride Determinations

| <u>Sample Number</u> | <u>Depth: Feet</u> | <u>cc AgNO₃</u> | <u>PPM Pore Water</u> |
|----------------------|--------------------|----------------------------|-----------------------|
| 1 | 1377 | 2.0 | 14,200 |
| 5 | 1381 | 2.4 | 17,700 |
| 10 | 1388 | 3.2 | 22,200 |
| 15 | 1392 | 2.4 | 16,050 |
| 19 | 1397 | 2.7 | 23,400 |
| 24 | 1402 | 3.6 | 27,000 |
| 29 | 1407 | 6.6 | 44,600 |
| 35 | 1426 | 4.5 | 27,100 |
| 40 | 1432 | 3.1 | 27,100 |
| 45 | 1436 | 3.3 | 20,500 |
| 50 | 1441 | 4.1 | 26,800 |
| 55 | 1447 | 5.7 | 31,200 |
| 60 | 1452 | 3.3 | 18,200 |
| 65 | 1456 | 2.9 | 22,500 |
| 70 | 1462 | 4.4 | 27,000 |
| 74 | 1467 | 3.0 | 16,520 |

CORE LABORATORIES, INC.
Petroleum Reservoir Engineering
DALLAS

Page 2 of 2File WL-94 SWell Gallegos Canyon Unit No. 5

CORE SUMMARY AND CALCULATED RECOVERABLE OIL

CORE SUMMARY

| | | | | |
|--|---------------------------|--|--|--|
| FORMATION NAME | Pictured Cliffs | | | |
| DEPTH, FEET | 1377.0-1469.1 | | | |
| % CORE RECOVERY | 92 | | | |
| FEET OF PERMEABLE, PRODUCTIVE FORMATION RECOVERED | 79.7 | | | |
| AVERAGE PERMEABILITY MILLIDARCYS | Max: <0.01 90° : <0.01 | | | |
| CAPACITY — AVERAGE PERMEABILITY X FEET PRODUCTIVE FORMATION | | | | |
| AVERAGE POROSITY, PERCENT | 17.8 | | | |
| AVERAGE RESIDUAL OIL SATURATION, % PORE SPACE | 0.0 | | | |
| GRAVITY OF OIL, °A.P.I. | | | | |
| AVERAGE TOTAL WATER SATURATION, % PORE SPACE | 72.9 | | | |
| AVERAGE CALCULATED CONNATE WATER SATURATION, % PORE SPACE | 71 | | | |
| SOLUTION GAS-OIL RATIO, CUBIC FEET PER BARREL (1) | | | | |
| FORMATION VOLUME FACTOR—VOLUME THAT ONE BARREL OF STOCK TANK OIL OCCUPIES IN RESERVOIR (1) | | | | |

CALCULATED RECOVERABLE OIL { Prediction dependent upon complete isolation of each division. Structural position of well, total permeable thickness of oil zone and drainage area of well should be considered.

| | | | | |
|---|-----|--|--|--|
| BY NATURAL OR GAS EXPANSION, BBLs. PER ACRE FOOT (2) | (4) | | | |
| INCREASE DUE TO WATER DRIVE, BBLs. PER ACRE FOOT | (4) | | | |
| TOTAL AFTER COMPLETE WATER DRIVE, BBLs. PER ACRE FOOT (3) | (4) | | | |

Core Laboratories, Inc.

J D Harris (pg)
J. D. Harris

NOTE:

(*) REFER TO ATTACHED LETTER.

(1) REDUCTION IN PRESSURE FROM

SATURATION PRESSURE TO ATMOSPHERIC PRESSURE.

(2) AFTER REDUCTION FROM ORIGINAL RESERVOIR PRESSURE TO ZERO POUNDS PER SQUARE INCH.

(3) RESERVOIR PRESSURE MAINTAINED BY WATER DRIVE AT OR ABOVE

ORIGINAL SATURATION PRESSURE.

(4) NO ESTIMATE FOR GAS PHASE RESERVOIRS.

These analyses, opinions or interpretations are based on observations and materials supplied by the client to whom, and for whose exclusive and confidential use, this report is made. The interpretations or opinions expressed represent the best judgment of Core Laboratories, Inc. (all errors and omissions excepted); but Core Laboratories, Inc. and its officers and employees assume no responsibility and make no warranty or representation, as to the productivity, proper operation, or profitability of any oil, gas or other mineral well or sand in connection with which such report is used or relied upon.

CORE LABORATORIES, INC.
Petroleum Reservoir Engineering
DALLAS, TEXAS
October 30, 1951

Benson & Montin
Box 337
Aztec, New Mexico

Attention: Mr. A. R. Greer, Jr.

Subject: Core Analysis
Gallegos Canyon Unit No. 5 Well
Wildcat
San Juan County, New Mexico

Gentlemen:

Diamond conventional cores from the subject well in the Pictured Cliffs formation have been sampled and quick-frozen by a representative of Benson & Montin and later analyzed in our Farmington, New Mexico laboratory. Results of analysis are presented in tabular and graphical form on the attached Coregraph. Water base mud was used as the drilling fluid.


Skip sampling of the core limits the interpretation of results; however, large segments of the core from this well have been taken and special analysis is being performed on these cores. Results will be presented in a separate report when analysis is completed. Samples analyzed and shown in this report appear to be gas productive from 1395 to 1436 feet.

Sand analyzed from 1443 to 1470 feet shows a definite increase in per cent water saturation and will probably show some water-cut on production. It is recommended that completion in this well be limited to the sand above 1436 feet.

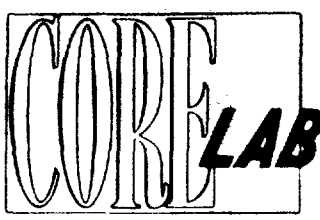
We hope these data prove beneficial in the evaluation of this well.

Very truly yours,

Core Laboratories, Inc.

 (pg)
J. D. Harris,
District Engineer

JDH:aa



CORE LABORATORIES, INC.

Petroleum Reservoir Engineering

COMPANY DISCHAND CORP. DATE ON OCT. 10, 1951 FILE NO. WL-95 (S)
WELL GALLERIE 2 1/2 MILES WEST NO. 7 DATE OFF DEC. 10, 1951 ENGRS. R.O. ALBERT
FIELD WESTERN FORMATION FICTURED CLIFFS ELEV.
COUNTY SAN JOSE STATE CAL. DRLG. FLD. WATER BASE MUD CORES DIAMOND COLV.
LOCATION SEC. 2-42-22-23 REMARKS SHWICE NO. 9

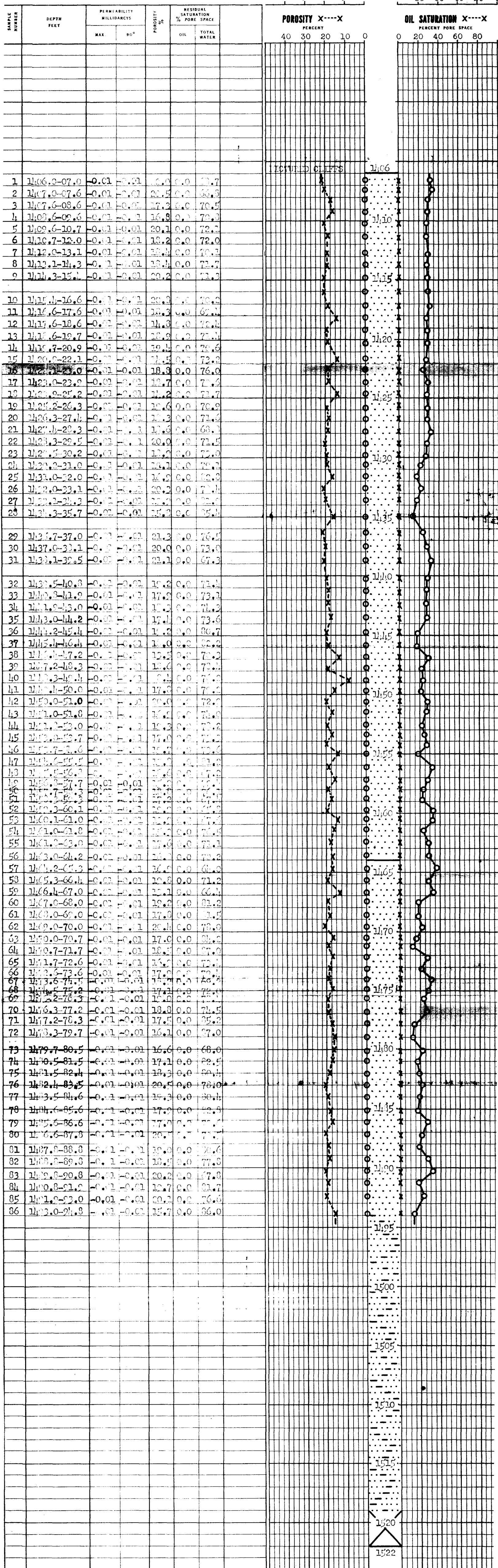
Special Analysis CORE REPORT

SAND LIMESTONE CONGLOMERATE CHERT
SHALE DOLOMITE

The data in this report were obtained from the analysis of material supplied to the laboratory and for whose exclusive and confidential use it was prepared. The data are not to be used for any other purpose without the written consent of the laboratory. The data are not to be used for any other purpose without the written consent of the laboratory. The data are not to be used for any other purpose without the written consent of the laboratory.

PERMEABILITY, Maximum $\bigcirc-\bigcirc$
MILLIDARCY 20 15 10 5 0

TOTAL WATER $\bigcirc-\bigcirc$
PERCENT PORE SPACE 80 60 40 20 0



CORE LABORATORIES, INC.
Petroleum Reservoir Engineering
DALLAS, TEXAS
January 4, 1952

Benson and Montin
Box 337
Aztec, New Mexico

Attention: Mr. A. R. Greer, Jr.

Subject: Special Core Analysis
Gallegos Canyon Unit No. 7 Well
West Kutz Field
San Juan County, New Mexico

Gentlemen:

Diamond conventional cores from the Pictured Cliffs formation in the subject well have been sampled and quick-frozen by a representative of Core Laboratories, Inc. and later analyzed in our Worland, Wyoming laboratory by special analysis methods. Results of the analysis are presented in tabular and graphical form on the attached Coregraph. Water base mud was used as the drilling fluid.

Special analysis performed on the samples includes measurements of maximum permeability, 90° from the maximum, porosity and liquid saturations.

Chloride determinations were made on approximately every fifth foot of formation and are reported in parts per million of pore water on page one of the report.

It is believed that the formation from 1406 to 1494.8 feet would possibly be gas productive after shooting with nitroglycerin. Average data for the zone, 1406 to 1494.8 feet, are presented on page two.

We hope these data prove beneficial in the evaluation of this well.

Very truly yours,

Core Laboratories, Inc.

J D Harris (pg)
J. D. Harris,
District Engineer

Benson and Montin
Gallegos Canyon Unit No. 7 Well
West Kutz Field
San Juan County, New Mexico

Page: 1 of 2
File : WL-95 S

Chloride Determinations

| <u>Sample Number</u> | <u>Depth: Feet</u> | <u>cc AgNO₃</u> | <u>PPM Pore Water</u> |
|----------------------|--------------------|----------------------------|-----------------------|
| 5 | 1410 | 3.5 | 19,700 |
| 9 | 1415 | 4.4 | 25,000 |
| 14 | 1420 | 4.0 | 24,000 |
| 19 | 1425 | 3.0 | 17,700 |
| 22 | 1429 | 2.8 | 16,050 |
| 25 | 1431 | 3.9 | 23,600 |
| 29 | 1436 | 3.4 | 16,900 |
| 32 | 1440 | 5.2 | 31,100 |
| 35 | 1444 | 4.8 | 31,300 |
| 44 | 1452 | 5.5 | 30,100 |
| 49 | 1457 | 3.1 | 24,800 |
| 55 | 1462 | 4.2 | 28,000 |
| 62 | 1470 | 2.4 | 12,390 |
| 69 | 1476 | 3.5 | 19,500 |
| 74 | 1481 | 4.8 | 28,600 |
| 78 | 1486 | 4.4 | 25,000 |
| 83 | 1490 | 5.5 | 32,600 |

CORE LABORATORIES, INC.
Petroleum Reservoir Engineering
DALLAS

Page 2 of 2File WL-95 SWell Gallegos Canyon Unit No. 7

CORE SUMMARY AND CALCULATED RECOVERABLE OIL

CORE SUMMARY

| | | | | |
|--|------------------------|--|--|--|
| FORMATION NAME | Pictured Cliffs | | | |
| DEPTH, FEET | 1406.0-1494.8 | | | |
| % CORE RECOVERY | 100 | | | |
| FEET OF PERMEABLE, PRODUCTIVE FORMATION RECOVERED | 88.8 | | | |
| AVERAGE PERMEABILITY MILLIDARCS | Max: <0.1 90°: <0.1 | | | |
| CAPACITY — AVERAGE PERMEABILITY X FEET PRODUCTIVE FORMATION | | | | |
| AVERAGE POROSITY, PERCENT | 18.1 | | | |
| AVERAGE RESIDUAL OIL SATURATION, % PORE SPACE | 0.0 | | | |
| GRAVITY OF OIL, °A.P.I. | | | | |
| AVERAGE TOTAL WATER SATURATION, % PORE SPACE | 74.8 | | | |
| AVERAGE CALCULATED CONNATE WATER SATURATION, % PORE SPACE | 73 | | | |
| SOLUTION GAS-OIL RATIO, CUBIC FEET PER BARREL (1) | | | | |
| FORMATION VOLUME FACTOR—VOLUME THAT ONE BARREL OF STOCK TANK OIL OCCUPIES IN RESERVOIR (1) | | | | |

CALCULATED RECOVERABLE OIL { Prediction dependent upon complete isolation of each division. Structural position of well, total permeable thickness of oil zone and drainage area of well should be considered.

| | | | | |
|---|-----|--|--|--|
| BY NATURAL OR GAS EXPANSION, BBLs. PER ACRE FOOT (2) | (4) | | | |
| INCREASE DUE TO WATER DRIVE, BBLs. PER ACRE FOOT | (4) | | | |
| TOTAL AFTER COMPLETE WATER DRIVE, BBLs. PER ACRE FOOT (3) | (4) | | | |

Core Laboratories, Inc.

NOTE:

(*) REFER TO ATTACHED LETTER.

(1) REDUCTION IN PRESSURE FROM

SATURATION PRESSURE TO ATMOSPHERIC PRESSURE.

(2) AFTER REDUCTION FROM ORIGINAL RESERVOIR PRESSURE TO ZERO POUNDS PER SQUARE INCH.

(3) RESERVOIR PRESSURE MAINTAINED BY WATER DRIVE AT OR ABOVE

ORIGINAL SATURATION PRESSURE.

(4) NO ESTIMATE FOR GAS PHASE RESERVOIRS.

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J D Harris (pg)
J. D. Harris

| DOMESTIC SERVICE | |
|---|--------------|
| Check the class of service desired; otherwise this message will be sent as a full rate telegram | |
| FULL RATE TELEGRAM | SERIAL |
| DAY LETTER | NIGHT LETTER |

WESTERN UNION

1206

| INTERNATIONAL SERVICE | |
|--|--------------|
| Check the class of service desired; otherwise this message will be sent at the full rate | |
| FULL RATE | DEFERRED |
| CODE | NIGHT LETTER |

W. P. MARSHALL, PRESIDENT

| NO. WDS.-CL. OF SVC. | PD. OR COLL. | CASH NO. | CHARGE TO THE ACCOUNT OF | TIME FILED |
|----------------------|--------------|----------|--------------------------|------------|
| | | | Oil Commission | |

Send the following message, subject to the terms on back hereof, which are hereby agreed to

Santa Fe, N. M. July 25, 1952

Mr. Al Greer
Benson & Montin
Farmington, New Mexico

Order R-172 in Case 377 signed effective July 24.

Oil Conservation Commission

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

WESTERN UNION

1201

W. P. MARSHALL, PRESIDENT

| SYMBOLS |
|--------------------------|
| DL=Day Letter |
| NL=Night Letter |
| LT=Int'l Letter Telegram |
| VLT=Int'l Victory Ltr. |

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

LA31

L. DVA236 PD=FAX DENVER COLO 17 103PMM=

DIRECTOR, NEW MEXICO OIL CONSERVATION COMMISSION=

SANTA FE NMEX=

THIS COMPANY FAVORS APPLICATION OF BENSON-MONTIN FOR 320
ACRE SPACING FOR GALLEGOS CANYON AREA=

THE BAY PETROLEUM CORP MARVIN F OWENS CHIEF PETROLEUM
ENGINEER=

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

RECEIVED
SEP 17 1953

GENERAL OFFICES
1501 REPUBLIC BUILDING
OKLAHOMA CITY, OKLAHOMA
PHONE FO 5-0546

BENSON - MONTIN
OIL PRODUCERS AND OPERATORS

EARL A. BENSON
WM. V. MONTIN

December 28, 1953

C
O
P
Y

~~U.S. Department of the Interior
Geological Survey
Roswell, New Mexico~~

Attention: Mr. Anderson

Subject: Gallegos Canyon Unit
San Juan County, New Mexico

Gentlemen:


Enclosed is copy of a letter from the unit operator of the Gallegos Canyon Unit to the New Mexico Oil Conservation Commission.

We would appreciate your advising us the attitude of the U.S.G.S. relative to 160-acre spaced wells on non-committed lands within the unit boundary.

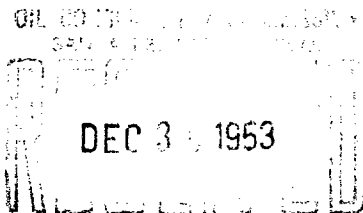
Yours very truly,

BENSON-MONTIN

BY:



Albert R. Greer
Field Superintendent



cc: U.S.G.S., Farmington, New Mexico
cc: New Mexico Oil Conservation Commission, Santa Fe
cc: Mr. Jack London, Jr.

ARG:nej

Case 377

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

December 30, 1953

C
O
P
Y

Mr. Albert R. Greer
Field Superintendent
Benson & Montin
Farmington, New Mexico

Dear Al:

This is in reply to your letter of December 28th. Your interpretation of Order No. R-172-B is not exactly as the Commission interprets it and the Commission does not intend that the lands in the West Kutz Canyon Pool or the Gallegos Canyon Unit will be developed on a basis of 320 acres per well.

We, like you, are waiting to see what the USGS's attitude will be and, since it is a Unit Agreement it is, of course, subject to the terms of the Unit Agreement. Finding No. 8 of Order No. R-172-B - "that for the prevention of waste and the protection of correlative rights, a uniform spacing pattern should be established for the orderly development and production of the West Kutz-Pictured Cliffs Gas Pool" and we do not agree with your statement that the protection of correlative rights has been destroyed.

If you will note, on the copy of Order No. R-172-B sent you a few days ago after "IT IS THEREFORE ORDERED:" No. (1) Order R-182 should read "Order R-172." It will be appreciated if you will make this correction on your copy and we will correct the original order here in the office.

Very truly yours,

R. R. SPURRIER
Secretary and Director

RRS:vc

cc: USGS, Roswell

Jason Kellahin, Atty., Santa Fe

GENERAL OFFICES
1501 REPUBLIC BUILDING
OKLAHOMA CITY, OKLAHOMA
PHONE FO 5-0546

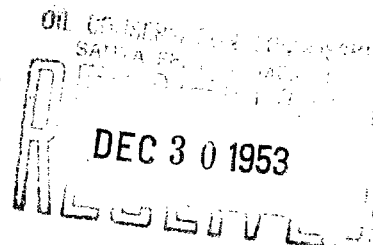
BEN **B&M** MONTIN
OIL PRODUCERS AND OPERATORS

EARL A. BENSON
WM. V. MONTIN

December 28, 1953

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

Attention: Mr. R. R. Spurrier



Subject: Case No. 377
Order No. R-172-B
Gallegos Canyon Unit Area
San Juan County, New Mexico

Gentlemen:

We have received a copy of the Order of the New Mexico Oil Conservation Commission No. R-172-B, which denies Benson-Montin's application for 320-acre spacing for the Pictured Cliffs formation in the Gallegos Canyon Area.

The second paragraph of your new Order No. R-172-B states:

"That the land embraced in said Order No. R-172, as extended, be developed on a 160-acre spacing pattern provided, however, that development on lands committed to the Gallegos Canyon Unit Agreement shall be subject to the terms of the Unit Agreement".

This implies that lands committed to the Gallegos Canyon Unit will be continued on a development basis of 320 acres per well. We would therefore like to know if the Commission intends to permit wells to be drilled within the Gallegos Canyon Unit on lands which are not committed to the unit on a spacing of 160 acres per well.

The unit operator believes that the unit has been adequately protected from drainage in the past, but is quite concerned over your present Order, and would like to know at your earliest convenience the Commission's attitude in regard to non-unit wells on 160 acre spacing. Your Order No. R-172-B has destroyed the protection of correlative rights in the Gallegos Canyon Unit which was provided by Order No. R-172, and we must know the Commission's further attitude in this matter in order to properly protect the rights of unit owners.

Yours very truly,

BENSON-MONTIN

BY:

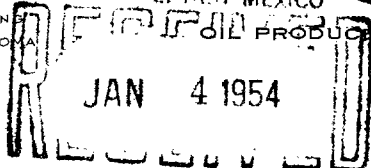
Albert R. Greer
Field Superintendent

cc: U.S.G.S., Roswell, New Mexico
cc: U.S.G.S., Farmington, New Mexico
cc: Mr. Jack London, Jr.

GENERAL OFFICES
1501 REPUBLIC BUILDING
OKLAHOMA CITY, OKLAHOMA
PHONE FO 5-0546

OIL CONSERVATION BEN **B&M** MONTIN
SANTA FE, NEW MEXICO

EARL A. BENSON
WM. V. MONTIN



Farmington, New Mexico
January 2, 1954

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

Attention: Mr. R. R. Spurrier

Subject: Case No. 377
Order No. R-172-B
Gallegos Canyon Unit Area
San Juan County, New Mexico

Gentlemen:

Referring to our letter of December 28th and your reply of December 30th, it appears that we should explain a little more fully why we interpreted your order to mean that a different spacing pattern is understood to apply to Gallegos Canyon Unit lands from lands in the rest of the West Kutz Field.

The largest part of the land in the Gallegos Canyon Unit is federal, and because of this we have had a number of informal discussions with members of the U.S.G.S. relative to spacing of Pictured Cliffs wells in this area. The wording of your Order reflects what we interpreted the desire of the U.S.G.S. to be in this matter, and we therefore assumed that it was based on the same reasoning as members of the U.S.G.S. have advanced in our informal discussions.

The unit operator, in the course of exploration and development of the Pictured Cliffs formation in the Gallegos Canyon Unit, has caused to be obtained a large amount of factual engineering and reservoir data. Most of these data have been filed with the U.S.G.S. and with the Conservation Commission. In informal discussions of this information with members of the U.S.G.S., they have indicated to us that they have no objection to 320 acre spacing for Pictured Cliffs wells in this unit. We understand, however, that the U.S.G.S. does not believe a formal order to be necessary in order to properly control spacing within the boundaries of the Gallegos Canyon Unit. This is the only point on which the unit operator differs with the U.S.G.S. In support of this position, the U.S.G.S. has informally advised us that spacing of non-committed federal lands within the unit is subject to U.S.G.S. jurisdiction, and relative to one specific tract which we pointed out, we were advised that although the land would be within an area spaced for 160 acres by the Conservation Commission, the U.S.G.S. would not permit the operator to drill closer than one well to 320 acres as long as 320 acres has been deemed by the U.S.G.S. to be the proper spacing for the Gallegos Canyon Unit.

As pointed out in Mr. Anderson's letter of September 30th, copy of which was sent to the Conservation Commission, the development of unitized lands (which includes spacing) must be prosecuted under Plans of Development approved by the Oil Conservation Commission, the State Land Commissioner, and the Supervisor of the Geological Survey. The U.S.G.S. believes this unit agreement to be all the authority necessary for proper control of

January 2, 1954

spacing within the unit, and for a different spacing to apply to the unit than the rest of the field, it is only necessary for the spacing order covering the field as a whole to specify that (referring again to Mr. Anderson's letter) "lands subject to the Gallegos Canyon Unit Agreement are excepted from any provisions of the order that are contrary to the provisions of the unit agreement".

Because of this, and the wording of your Order R-172-B which states "That land embraced in said Order R-172, as extended, be developed on a 160-acre spacing pattern, provided, however, that development on lands committed to the Gallegos Canyon Unit Agreement shall be subject to the terms of the Unit Agreement", it seemed to us that the Conservation Commission, in accord with the U.S.G.S., contemplated a different spacing pattern inside the unit from that outside the unit.

We were therefore concerned over your order, inasmuch as it appeared that you were denying our 320-acre spacing application only to the extent that it covered lands outside the unit area, and were considering a different spacing pattern for the unit. This did not seem workable to us because the land involved is not all federal, and unlike the U.S.G.S. with respect to federal lands, neither the Conservation Commission nor the State Land Commissioner has the authority, without a formal order, to cause different spacings to apply ^{to patented & state lands} in the same field.

If, however, the Conservation Commission feels that the proper spacing for the Gallegos Canyon Unit is 160 acres, it now becomes necessary for us to reach some agreement with the U.S.G.S. and the unit operator with respect to the 1954 Plan of Development for the unit. This Plan of Development must be approved by the U.S.G.S., the State Land Commissioner and the Oil Conservation Commission. It therefore appears that at this time only the U.S.G.S. and the unit operator are in accord with a plan of 320 acres per well.

We would like to meet with a member of the U.S.G.S., the State Land Commissioner and a member of the Conservation Commission early this month in order to discuss our Plan of Development before submitting the formal plan to these authorities. We would appreciate your advising us if this can be arranged with the Conservation Commission and the State Land Commissioner, and what date you would suggest, if it is possible to meet.

Yours very truly,

BENSON-MONTIN

BY:



Albert R. Greer
Field Superintendent

cc: USGS, Roswell, New Mexico
USGS, Farmington, New Mexico
Mr. Jack London, Jr.