

# *Makin Drilling Company*

P. O. BOX 1628

PHONE 3-3141

*Hobbs, New Mexico*

December 17, 1955

*Case # 982*

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

Attention: Mr. Willard Kitts

Gentlemen:

Enclosed is a copy of an agreement between Ohio Oil Company, Island Oil Company, and Makin Drilling Company whereby Ohio agrees to execute a Pooling Agreement on the 160 acre unit covered in the hearing held December 14 in Santa Fe, being Case No. 982.

Also enclosed is a copy of the Pooling Agreement used by us in forming this unit. I understand that the letter will be made a part of the case and that the Pooling Agreement is for your information.

Yours very truly,

MAKIN DRILLING COMPANY



J. W. Adams

JWA/sk  
Encls - 2

THE OHIO OIL COMPANY

October 28, 1955

Makin Drilling Company  
P. O. Box 1628  
Hobbs, New Mexico

Re: S/2 SE/4 Section 18 and N/2 NE/4  
Section 19, T21S, R37E, Lea County,  
New Mexico

Gentlemen:

Your letter of October 22, 1955, concerning the above described acreage has been received. We assume that with the possible exception of the Gale interests all gas and liquid hydrocarbons in the N/2 NE/4 of Section 19 and in the SE/4 SE/4 of Section 18 are now subject to valid oil and gas lease or leases; that you have obtained or will obtain such a lease or leases on the Gale interests, and that Exhibit "A" to the Operating Agreement will be completed in accordance with the form proposed by and enclosed with our letter to you of September 21, including the proposed addition to Exhibit "A" enclosed with that letter. We further assume that the form of the Operating Agreement with Exhibit "A" completed as above specified and the form of each of the other instruments identified in your letter of October 22 is acceptable to Island Oil Company and that when Exhibit "A" to the Operating Agreement has been completed as above specified, you and Island Oil Company will furnish us a copy of that Exhibit and will execute and deliver to us for execution the proposed Pooling Agreement in the form submitted to you with our letter of October 6, 1955.

Although we considered it preferable, we did not consider it essential that the ratification form enclosed with our letter of October 6 be executed by the royalty owners prior to the commencement of the proposed Queen well. We assume you will exert your best efforts to obtain the ratifications in that proposed form covering all royalty interests in each of the proposed units and that you will proceed to do so promptly after the proposed Pooling Agreement has been executed by the owners of the working interests.

If our assumptions as set out above are correct, we agree to execute the proposed Pooling Agreement provided it is executed by you and Island Oil Company in the form above referred to and delivered to us on or before March 15, 1956, and provided that we have theretofore been furnished with a copy of Exhibit "A" to the proposed Operating Agreement completed as above specified. Thereafter, upon execution of the proposed Operating Agreement in accordance with the Pooling Agreement, we will join you and Island Oil Company in executing the proposed Drilling Contract after changing the well location to that stated in your letter of October 22, said Operating Agreement and Drilling Contract to be made effective as of the day immediately prior to your commencement of the Queen well.

October 28, 1955  
Makin Drilling Company  
Page 2

Subject to the foregoing, it is agreed that although you are drilling the well at your sole cost, risk and expense, when the transactions are consummated as above provided the rights of all parties shall be determined as though each and all of said instruments had been executed on the effective dates specified.

It is understood and agreed that representatives of The Ohio shall have full access to the derrick flooreat all times during the drilling of the Queen well above referred to, and that such representatives shall be given any and all information regarding the well which is in your possession or to which you have access. You agree to send to us, in duplicate, by mail, a daily drilling report on the well, one copy of the report to be sent to our Mr. D. L. Province, c/o The Ohio Oil Company, P.O. Box 2017, Hobbs, New Mexico, and one copy to be sent to our Mr. J. A. Grimes, c/o The Ohio Oil Company, P.O. Box 3128, Houston 1, Texas. You shall also furnish each week to each of the aforesaid parties a complete copy of the driller's log covering the preceding seven days. Upon completion of said well you shall furnish to us all geological information concerning the well, as well as details of costs incurred.

To facilitate the further handling of the instruments above referred to, we enclose the original and three copies of the proposed Operating Agreement, five copies of Exhibit "N" to the Operating Agreement, the original of the proposed Drilling Contract, one copy of the proposed Pooling Agreement and one copy of the proposed Ratification. One copy of each of those instruments is enclosed with a copy of this letter to Island Oil Company.

If the assumptions stated above are correct, and if the foregoing meets with the approval of you and Island Oil Company, please return to us within ten (10) days from this date a copy of this letter properly executed by you and by Island Oil Company in the spaces provided, and this will evidence the agreement between you, Island Oil Company and The Ohio Oil Company.

Very truly yours,

THE OHIO OIL COMPANY

By           /s/            
J.D. Wheeler, Division Mgr.

ACCEPTED AND AGREED TO:  
MAKIN DRILLING COMPANY

By /s/

ISLAND OIL COMPANY

By           /s/

P O O L I N G   A G R E E M E N T

WHEREAS, on the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_,  
a certain Oil and Gas Lease was Made and entered into by and be-  
tween \_\_\_\_\_  
\_\_\_\_\_ Lessor \_\_\_\_\_,  
and \_\_\_\_\_  
Lessee\_\_\_\_, covering the following described land in the County  
of \_\_\_\_\_, State of New Mexico, to-wit:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
said lease being recorded in the Office of the County Clerk and  
ex-officio recorder in and for said County, in Book \_\_\_\_\_  
at Page \_\_\_\_\_ of \_\_\_\_\_.

AND, WHEREAS, the said lease and all rights thereunder  
or incident thereto are now owned by MAKIN DRILLING COMPANY, Hobbs,  
New Mexico.

NOW, THEREFORE, for and in consideration of the sum  
of One Dollar and other good and valuable consideration, the  
receipt of which is hereby acknowledged, the undersigned, the  
present owner or successors in interest under the above described  
property, hereby agree that the aforesaid lease may be amended  
as follows:

1.

Lessee, at his option, is hereby given the right and  
power to pool or combine the acreage covered by this lease or  
any portion thereof, with other land, lease, or leases in the  
immediate vicinity thereof, to comprise what is hereinafter  
called a "unit", when in lessee's judgment it is necessary or  
advisable to do so in order properly to develop and operate said  
premises for the production of oil, gas, or gaseous substances,  
including condensate, or in order to comply with the rules of  
the Oil and Gas Commission of New Mexico, or other lawful auth-  
ority, or when to do so would, in the judgment of lessee, promote  
the conservation of the oil, gas, and gaseous substances, inclu-  
ding condensate in and under and that may be produced from said  
premises, such pooling to be into a well unit or units not ex-  
ceeding \_\_\_\_\_ acres each for oil and not exceeding \_\_\_\_\_  
\_\_\_\_\_ acres each for gaseous substances, including condensate.  
The entire acreage so pooled into a unit shall be treated for  
all purposes as if it were included in this lease; so, if oper-  
ations are commenced, or if production is found on the unit, it  
shall be treated as if operations or production is had under  
this lease, whether the well or wells be located on the premises  
covered by this lease or not; except however, in lieu of the  
royalties elsewhere herein specified, lessor shall receive and  
accept on production from a unit so pooled only such proportion  
of the royalty stipulated herein as the amount of his acreage  
placed in the unit or his royalty interest therein, on an  
acreage basis, bears to the total acreage so pooled in the  
particular unit involved.

2.

It is understood that this instrument in no way affects  
the original lease as above set out, except as amended hereinabove  
in Paragraph 1.

IN WITNESS WHEREOF, the undersigned have signed and sealed this instrument this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

STATE OF NEW MEXICO,     )  
                                  :SS.  
COUNTY OF \_\_\_\_\_.     )

The foregoing instrument was acknowledged before me  
this \_\_\_\_\_ day of \_\_\_\_\_, 19 \_\_\_\_, by \_\_\_\_\_  
\_\_\_\_\_.

\_\_\_\_\_  
Notary Public

My commission expires:

\_\_\_\_\_

LAW OFFICES OF  
EASLEY, QUINN & STOUT  
106 EAST TAYLOR  
P. O. BOX 2587  
HOBBS, NEW MEXICO

MACK EASLEY  
JOHN QUINN  
LOWELL STOUT

TELEPHONE  
3-4155

Case 982  
R-742

January 12, 1956

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

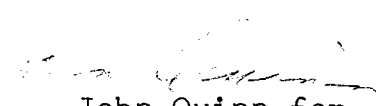
Attention: Mr. W. B. Macey  
Secretary, director

Re: Application of Mapenza  
Oil Company for Order  
approving non-standard  
pro-ration unit.  
Case No. 982

Gentlemen:

In the above captioned case, the applicant was designated as Mapenza Oil Company. This was an error; the applicant should have been designated as Makin Drilling Company. Will you please change your records in this regard and in the order, issue the same to the Makin Drilling Company instead of Mapenza Oil Company.

Sincerely,

  
John Quinn for  
EASLEY, QUINN & STOUT

JQ:d

LAW OFFICES OF  
**EASLEY, QUINN & STOUT**  
106 EAST TAYLOR  
P. O. BOX 2587  
**HOBBS, NEW MEXICO**

MACK EASLEY  
JOHN QUINN  
LOWELL STOUT

TELEPHONE  
3-4155

December 16, 1955

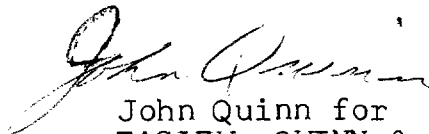
Mr. W. B. Macey  
Secretary - Director  
New Mexico Oil Conservation Commission  
P. O. Box 871  
Santa Fe, New Mexico

Dear Bill:

I am enclosing case no. 970 which you sent to me some time back in preparation for the hearing for Mapenza Oil Company the other day.

I wish to thank you very much for your help in this matter, and will see you the next time I get to Santa Fe.

Sincerely,



John Quinn for  
EASLEY, QUINN & STOUT

JQ:d  
Encls.

Case 982  
Dec. 1955

LAW OFFICES OF  
**EASLEY, QUINN & STOUT**

106 EAST TAYLOR

P. O. BOX 2587

**HOBBS, NEW MEXICO**

November 17, 1955

MACK EASLEY  
JOHN QUINN  
LOWELL STOUT

TELEPHONE  
3-4155

Mr. W. B. Macey  
Secretary - Director  
New Mexico Oil Conservation Commission  
P. O. Box 871  
Santa Fe, New Mexico

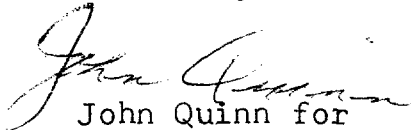
Dear Bill:

I am enclosing herewith applications for non-standard proration unit on the Mapenza Oil Company Warlick-Queen #1 Well, which, you remember, I discussed with you when you were in Hobbs some weeks ago.

I wish to thank you very much for your kind help in this matter. I will be in Santa Fe next week, and will probably see you at that time.

I am also enclosing case No. 875, which you sent to me.

Sincerely,



John Quinn for  
EASLEY, QUINN & STOUT

JQ:lb

Enclosures