

GREAT WESTERN DRILLING CO.
MIDLAND, TEXAS

August 3, 1961

Re: Grain Queen Unit
Lea County, New Mexico

Commissioner of Public Lands
State of New Mexico
P.O. Box 791
Santa Fe, New Mexico

Attention: Miss Marion Rhea

Gentlemen:

For your files and information, we are enclosing three (3) copies of revised Exhibits "B" and "C" to the Grain Queen Unit, effective July 1, 1961.

It is requested that you furnish us with a letter of acknowledgement from the Commissioner covering the revised Exhibits. We are enclosing our check in the amount of \$1.00 covering the certificate fee.

Yours very truly,

GREAT WESTERN DRILLING COMPANY

S. H. Snoddy
Land Manager

SHS:mc
Encl.

✓cc/encl. Oil Conservation Commission
P.O. Box 871
Santa Fe, New Mexico

cc/encl. Mr. S. B. Christy, IV
P.O. Box 10
Roswell, New Mexico

Effective July 1, 1961

EXHIBIT "B"

GRAIN QUEEN UNIT

WELL INFORMATION

<u>TRACT NO.</u>	<u>DESCRIPTION</u>	<u>NUMBER OF ACRES</u>		<u>LEASE AND/OR ASSIGNMENT NO.</u>	<u>BASIC ROYALTY</u>	<u>LESSEE OF RECORD</u>	<u>OVERRIDING ROYALTY OWNER AND AMOUNT</u>		<u>WORKING INTEREST OWNER AND AMOUNT</u>		<u>PER CENT PARTICIPATION OF TRACT IN UNIT</u>
1	SE/4 NW/4 Sec.5, T-13-S, R-32-E	40		B-9171	12.5%	Great Western	None		Great Western Drlg.	- 100%	12.222014
2	S/2 SW/4, NE/4 SW/4 Sec. 5. T-13-S, R-32-E	120		B-10907	12.5%	Great Western	None		Great Western Drlg.	- 100%	65.185113
3	NE/4 NW/4 Sec.8, T-13-S, R-32-E	40		Estelle Williams	12.5%	Graridge	The Vickers Petroleum Co., Inc. - 5% of 7/8 Subject to Agreement dated 8-16-60		Graridge Corp.	- 100%	22.592873

Effective
July 1, 1961

EXHIBIT "C"
GRAIN QUEEN UNIT

UNIT PARTICIPATION

<u>WORKING INTEREST OWNERS</u>	<u>TOTAL UNIT PARTICIPATION</u>
Graridge Corporation	22.592873
Great Western Drilling Company	<u>77.407127</u>
Total	100.000000

File

GRAIN QUEEN UNIT
Lea County, New Mexico

POOL NO. 750-40

August, 1961

PROGRESS REPORT NO. 2

Production for the month was 4,387 barrels of oil for an average of 141 barrels per day. Water production was 527 barrels. Injected water was 11,594 barrels for an average of 187 barrels per well per day. Isoflow surveys were made on the injection wells 5-6 and 5-14. Well 8-3 had a hot oil treatment of 80 barrels.

INJECTION DATA

<u>Well No.</u>	<u>Injection Pressure</u>	<u>Avg. Daily Injection - BWPL</u>	<u>Monthly Total - BW</u>	<u>Cumulative Total - BW</u>
5-6	1280	28	877	1,943
5-14	1160	346	<u>10,717</u>	<u>15,117</u>
		Total	<u>11,594</u>	<u>17,060</u>

MONTHLY & CUMULATIVE PRODUCTION

<u>Well No.</u>	<u>Avg. Daily Prod. Oil</u>	<u>Avg. Daily Prod. Water</u>	<u>Monthly Oil</u>	<u>Monthly Water</u>	<u>Cumulative Oil</u>	<u>Cumulative Water</u>
5-11	9	14	295	434	621	899
5-13	98	3	3,038	93	5,983	186
8-3	34	0	<u>1,054</u>	<u>0</u>	<u>2,046</u>	<u>0</u>
		Total	<u>4,387</u>	<u>527</u>	8,650	1,085
Production of wells converted to Injection					<u>780</u>	<u>0</u>
Total Cumulative					<u>9,430</u>	<u>1,085</u>

WELL STATUS

3 Producing Wells

2 Injection Wells

UNIT EMPLOYEES

1 Pumper

GREAT WESTERN DRILLING COMPANY

By C. H. Crews
C. H. Crews

OHC:tr
9-13-61

COPY

HERVEY, DOW & HINKLE, ATTORNEYS
ROSWELL, NEW MEXICO

Case # 2293

July 24, 1961

Great Western Drilling Company
Box 1659
Midland, Texas

Attention: Mr. S. H. Snoddy

Re: Grain Queen Unit
Our No. 144-9

Gentlemen:

We return herewith recorded Certificate dated July 11, 1961, recorded in Chaves County, New Mexico, July 18, 1961, in Book 175 at page 225; this is the Certificate required under Section 23 (d) of the above Unit Agreement.

Respectfully,

HERVEY, DOW & HINKLE

By 

SBC/bk

enc.

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

New Mexico Oil Conservation Commission ✓
Santa Fe
New Mexico

COPY

HERVEY, DOW & HINKLE, ATTORNEYS
ROSWELL, NEW MEXICO

July 17, 1961

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

Unit Case # 2293

New Mexico Oil Conservation Commission ✓
Santa Fe
New Mexico

Lea County Clerk
Court House
Lovington, New Mexico

Re: Grain Queen Unit

Gentlemen:

We enclose herewith to the Commissioner two copies, to the Commission one copy, and to the County Clerk one copy plus filing fee of \$1.75, each of a Certificate dated July 11, 1961, executed by the Unit Operator reflecting that the unit was effective as of 7:00 A.M., July 1, 1961.

Respectfully,

HERVEY, DOW & HINKLE

By _____

SBC/bk

enc.

cc: Great Western Drilling Co.

CERTIFICATE

Great Western Drilling Company, by and through its President, R. C. Tucker, does hereby certify:

1. Great Western Drilling Company is the Unit Operator of the Grain Queen Unit Agreement covering lands in Township 13 South, Range 32 East, N.M.P.M., Lea County, New Mexico. This Certificate is made pursuant to Section 23 (d) of said Unit Agreement.

2. The above Unit Agreement, and the attendant Unit Operating Agreement, were effective as of 7:00 A.M. on July 1, 1961.

3. (a) Prior to the above effective date, the above mentioned Unit Agreement and Unit Operating Agreement have been executed or ratified by Working Interest Owners owning a combined Unit participation of at least 90%, and the above mentioned Unit Agreement has been executed or ratified by Royalty Owners owning a combined interest of at least 66-2/3% of the Royalty Interest, in the Unit Area covered by said Unit Agreement.

(b) The Unit Agreement was approved by the Commissioner of Public Lands of the State of New Mexico on June 22, 1961; the Unit Agreement was approved by the Oil Conservation Commission of the State of New Mexico on June 8, 1961, by Order R-1994, in Case 2293.

(c) One counterpart of said Unit Agreement was filed for record in the Office of the County Clerk of Lea County, New Mexico, by the undersigned Unit Operator on June 26, 1961, and now appears in the Records of said County Clerk in Oil and Gas Book 174, at Page 447. All ratifications and approvals of the Unit Agreement received by Unit Operator prior to such recording was further recorded at said date and place.

DATED this 11 day of July, 1961.

ATTEST:

GREAT WESTERN DRILLING COMPANY

R. W. Pearman
R. W. Pearman, Assistant Secretary

By: R. C. Tucker
R. C. Tucker, President

STATE OF TEXAS)
 (ss.
COUNTY OF MIDLAND)

The foregoing instrument was acknowledged before me this 11 day of July, 1961, by R. C. Tucker, President of Great Western Drilling Company, a Texas corporation, on behalf of said corporation.

My Commission Expires

Sam H. Snoddy
Notary Public

SAM H. SNODDY
NOTARY PUBLIC, MIDLAND COUNTY, TEXAS
MY COMMISSION EXPIRES JUNE 1, 1963.

In Reply: Refer
to Unit Division

June 22, 1961

Great Western Drilling Company
Box 1659
Midland, Texas

Re: Grain Queen Unit
Agreement, Lea County,
New Mexico

Attention: Mr. S. H. Snoddy

Gentlemen:

The Commissioner of Public Lands has approved
the Grain Queen Unit Agreement as of June 22, 1961.

We are enclosing five Certificates of Approval.

We assume the effective date of this unit will
be as of July 1, 1961, will you please verify this
effective date.

Very truly yours,

E. S. JOHNNY WALKER
COMMISSIONER OF PUBLIC LANDS

BY:

Ted Bilberry, Supervisor
Oil and Gas Division

Enc:
cc: OCC
ESW/wmr/v



STATE OF NEW MEXICO

STATE ENGINEER OFFICE

SANTA FE

S. E. REYNOLDS
STATE ENGINEER

May 9, 1961

ADDRESS CORRESPONDENCE TO:
STATE CAPITOL
SANTA FE, N. M.

*File
Case 2293*

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

Dear Mr. Porter:

Reference is made to the application of Great Western Drilling Company which seeks approval of their proposed Grain Queen Unit Agreement for the purpose of secondary recovery operations, for authority to institute a water flood project in the Caprock Queen Pool and for the expansion thereof by administrative procedure, and for authority to commingle the production from all wells producing unitized substances within the unit area in Lea County, New Mexico, which was received in this office on May 8, 1961.

I have discussed this application with Mr. John Hampton, Chief Production Engineer for Great Western Drilling Company by telephone this date. He states that the surface casing had cement circulated to the surface and that injection will be through tubing and packer. With this information, in addition to that contained in the application and the exhibits forwarded to this office, I have reached the conclusion that the approval of this application will not constitute a threat to the fresh waters which exist in the area. Therefore, this office offers no objection to the approval of this application.

Yours very truly,

FEI/ma
cc-Great Western Drilling Co.
Attn. Mr. John Hampton

Mr. S. B. Christy, IV
Hervey, Dow & Hinkle

F. H. Hennighausen

S. E. Reynolds
State Engineer

By: *Frank E. Irby*
Frank E. Irby
Chief
Water Rights Division

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE NO.
Order No.

THE APPLICATION OF _____

FOR THE APPROVAL OF _____
_____ UNIT
AGREEMENT EMBRACING _____
ACRES, MORE OR LESS, LOCATED IN TOWNSHIP _____
_____, RANGE _____
NMPM, _____ COUNTY, NEW
MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at _____ o'clock _____ m. on _____
19 _____ at _____, New Mexico, before _____

NOW, on this _____ day of _____ 19 _____, the Commission, a quorum being
present, having considered _____

and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission
has jurisdiction of this cause and the subject matter thereof.

(2) That the proposed unit plan will in principle tend to promote the conservation
of oil and gas and the prevention of waste.

IT IS THEREFORE ORDERED:

(1) That this order shall be known as the

_____ UNIT AGREEMENT ORDER.

(2) (a) That the project herein referred to shall be known as the _____
_____ Unit Agreement and shall hereinafter be referred to as the "Project."

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

(3) (a) That the _____ Unit Agreement Plan shall be, and
hereby is, approved in principle as a proper conservation measure; provided, however, that
notwithstanding any of the provisions contained in said unit agreement, this approval shall
not be considered as waiving or relinquishing in any manner any right, duties or obligations
which are now, or may hereafter, be vested in the New Mexico Oil Conservation Commission by
law relative to the supervision and control of operations for exploration and development of
any lands committed to said _____ Unit Agreement, or relative
to the production of oil and gas therefrom.

Use letter (a) only if
Paragraph 3(b) is used.

Use 3(b) only if
no federal acreage
is included.

(b) That the unit operator periodically shall file with the Commission a _____ Unit Statement of Progress, summarizing operations for the exploration and development of any lands committed to said _____ Unit Agreement. This statement of progress shall be filed within 30 days after the expiration of each six-months period during the term of the unit agreement, and shall contain such pertinent data as may be necessary for the Commission to determine the progress being made in the _____ Unit Area.

(4) (a) That the unit area shall be:

NEW MEXICO PRINCIPAL MERIDIAN

TOWNSHIP _____, RANGE _____

containing _____ acres more or less.

Notes → (b) The unit area may be enlarged or contracted as provided in said Plan.
(Omit if Agreement does not so provide.)

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

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

(7) That this Order shall become effective upon the approval of said unit agreement by the _____

and shall terminate ipso facto upon the termination of said unit agreement. The last unit operator shall immediately notify the Commission in writing of such termination.

DONE at Santa Fe, New Mexico on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

, Chairman

, Member

, Member & Secretary

S E A L