



State of New Mexico

OFFICE OF THE

Commissioner of Public Lands

Santa Fe

JIM BACA
COMMISSIONER

#2786
P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

REGISTERED MAIL - RETURN RECEIPT REQUESTED

August 4, 1992

Snyder Oil Company
801 Cherry Street, Suite 2500
Fort Worth, Texas 76102

Attn: Ms. Janet Dryden

Re: Notice of Termination
Maljamar North Unit
Lea County, New Mexico

Dear Ms. Dryden:

While conducting a review of monthly unit production reports, it was noted that the Maljamar North Unit, has not produced since January 1991.

Section 17 of the Maljamar North Unit states that "*this agreement shall remain in effect so long as unitized substances can be produced from the unitized land in paying quantities, and should production cease, so long thereafter as diligent operations are in progress for the restoration of production or discovery of new production and so long thereafter as the unitized substances so discovered can be produced as aforesaid.*"

A field inspection conducted June 18, 1992 revealed that the wells in this unit are "*inactive at this time. All pumping equipment has been removed, Some oil stained soil is at each well site. Vegetation remains void where pits were utilized during the initial drilling of the subject wells.*"

Please be advised that you have 30 days from the date of this letter to show cause why this unit agreement should not be terminated. In addition, please also be advised that your surface improvement damage bond will not be released until the surface has been restored to the Commissioner's satisfaction.

If you have any questions, or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

BY: *Floyd O. Prando* for FOP
FLOYD O. PRANDO, Director
Oil/Gas and Minerals Division
(505) 827-5744
JB/FOP/pm

cc: Snyder Oil Co. - Denver
ATTENTION: Mr. Terry Savage
OCD ✓



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REGISTERED MAIL - RETURN RECEIPT REQUESTED

August 4, 1992

Kaiser-Francis Oil Company
P. O. Box 21468
Tulsa, Oklahoma 74121-1468

Attn: Mr. James A. Willis

Re: Notice of Termination
Northeast Maljamar Unit
Lea County, New Mexico

Dear Mr. Willis:

While conducting a review of monthly unit production reports, it was noted that the Northeast Maljamar Unit Well No. 1-I, Sec. 31-16S-33E last produced in February 1986. The Northeast Maljamar Unit Well No. 1-D, Sec. 5-17S-33E last produced in March 1992. It also appears that Penroc Oil Corporation is operating the well No. 1-D in Section 5. Penroc Oil Corporation has not been approved as an operator of this unit and is not bonded to operate on State Trust Lands.

A field inspection conducted June 24, 1992 revealed that the Kaiser-Francis Oil Company well site in Unit I of Section 31-16S-33E appeared to be shut in. The Penroc Oil Corp. well in Unit D, Sec. 5-17S-33E was also inspected. Mr. Mohammed Yamin Merchant of Penroc indicated that they had pumped the well for approximately 120 days and produced nothing but water. He also felt that there may be a hole in the casing and preparations have been made to repair the casing. Our Land Use Specialist Leon Anderson of our Hobbs office also informed us that he spoke with Mr. Wayne Fields of Kaiser-Francis Oil Co. and was advised that the unit was in the process of being sold to Pronto Petroleum.

The current production rates on this unit do not appear to justify economic production. Section 17 of the Northeast Maljamar Unit states that *"this agreement shall remain in effect so long as unitized substances can be produced from the unitized land in paying quantities, and should production cease, so long thereafter as diligent operations are in progress for the restoration of production or discovery of new production and so long thereafter as the unitized substances so discovered can be produced as aforesaid."*

In accordance with Section 9 of the Northeast Maljamar Unit Agreement, you are required to submit periodic plans of operation and development for the unit in addition to notifying this office of any reworking operations to be conducted. We would like to know

Kaiser-Francis Oil Co.
Notice of Termination
August 4, 1992
Page 2

what your plans are for further development and economic justification for continued operation of this unit. We request that this information be submitted for the Northeast Maljamar Unit within 30 days from the date of this letter. If the requested information is not timely submitted the unit agreement will be terminated.

If you have any questions, or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

BY: *Jami Bailey for FOP*
FLOYD O. PRANDO, Director
Oil/Gas and Minerals Division
(505) 827-5744
JB/FOP/pm

cc: Penroc Oil Corporation: Attn: Mr. Mohammad Yamin Merchant
OCD-Santa Fe
Reader File

UNIT NAME: NORTH MAJANAR UNIT (*CONTRACTED 05/01/66)
OPERATOR: SNYDER OIL CORPORATION
COUNTY: LEA

2786

DATE	OCD CASE NO.	EFFECTIVE DATE	* TOTAL ACREAGE	STATE	FEDERAL - INDIAN	FEE	SEG CLAUSE	TERM
05/7/63	4/18/63	5/7/63	240.60	240.60	0	-0-	Yes	2 years and so long as

OCD: 04/18/63 Case No. 2786, Order #R-2467
CPL: 5/07/63

UNIT AREA:

TOWNSHIP 16 SOUTH, RANGE 33 EAST, NEPM

Section 31: M2NE4, M2NW4, E2SW4

TERMINATED
EFFECTIVE DATE 3-8-93
APPROVAL DATE 3-8-93

LEA COUNTY, NEW MEXICO

X Not Committed -

80 acre spacing

4 wells drilled

EXHIBIT "A"

1-5-65

1600 ACRES

ALL ACREAGE STATE OWNED

UNIT NAME: North Maljamar Unit
OPERATOR: Snyder Oil Corporation
COUNTY: Lea

STATE LEASE TR.#	NO.	INSTITUTION	SEC	TWP	R&E	SUBSECTION DESCRIPTION	LESSEE
8	06-866	CS	31	16S	33E	E4SW4	Union Oil Company of CA.
9	06-5485-4	CS	31	16S	33E	Lots 1, 2	Mobil Producing TX & NM, Inc.
10	06-5489-4	CS	31	16S	33E	H4NE4	Mobil Producing TX & NM, Inc.

TERMINATED

EFFECTIVE DATE 3-8-93

APPROVAL DATE 3-8-93

2786

May 7, 1963

Hervey, Dow & Hinkle
P. O. Box 10
Roswell, New Mexico

Re: Maljamar North Unit
Lea County, New Mexico

Attention: Mr. Clarence E. Hinkle

Gentlemen:

The Commissioner of Public Lands has approved as of May 7, 1963, the Maljamar North Unit Agreement, Lea County, New Mexico.

We are handing five originally signed Certificates of Approval to Mr. Clarence E. Hinkle together with Official Receipt No. G-14816 in the amount of Thirty (\$30.00) dollars which covers the filing fee.

Very truly yours,

E. S. JOHNNY WALKER
COMMISSIONER OF PUBLIC LANDS

BY:
(Mrs.) Marian M. Rhea, Supervisor
Unit Division

ESW/mmz/v

encl:

cc: Oil Conservation Commission
Santa Fe, New Mexico

Apache Corporation
1426 The Americana Bldg.
Houston 2, Texas

J. M. HERVEY 1874-1953
HIRAM M. DOW
CLARENCE E. HINKLE
W. E. BONDURANT, JR.
GEORGE H. HUNKER, JR.
HOWARD C. BRATTON
S. B. CHRISTY IV
LEWIS C. COX, JR.
PAUL W. EATON, JR.
CONRAD E. COFFIELD
HAROLD L. HENSLEY, JR.

LAW OFFICES
HERVEY, DOW & HINKLE
HINKLE BUILDING
ROSWELL, NEW MEXICO

TELEPHONE 622-6510
AREA CODE 505
POST OFFICE BOX 10

April 19, 1963

Mr. Dan Nutter
New Mexico Oil Conservation Commission
State Capitol
Box 871
Santa Fe, New Mexico

Re: Northeast Anderson Ranch Unit Agreement
Maljamar North Unit Agreement

Dear Dan:

At the examiner's hearing before you on April 10, Howard Bratton handled for us the applications for approval of the Northeast Anderson Ranch Unit Agreement and the Maljamar North Unit Agreement. Both of these are small units covering State lands and on account of expiration dates of leases involved in both units, it will be necessary to have the agreements approved and wells started by May 10 in each instance and an effort is being made to have the agreements approved so that the wells may be started by May 1.

We assume that the units will be approved as a matter of course and we would appreciate your obtaining the orders as quickly as possible as we, of course, must have the orders before the Commissioner of Public Lands will approve the units. Anything you can do to expedite obtaining the orders will be greatly appreciated.

Yours sincerely,

HERVEY, DOW & HINKLE

By 

CEH: ev

2786

1963 APR 11 PM 3 20

April 3, 1963

He [illegible] Hinkle
Hinkle Building
Roswell, New Mexico

Re: Maljamar North Unit
Las County, New Mex.

Attention: Mr. Clarence L. Hinkle

Dear Mr. Hinkle:

The Commissioner of Public Lands, on March 20, 1963,
approved the Maljamar North Unit as to the area. This
area is described as:

TOWNSHIP 16 SOUTH, RANGE 32 EAST
Section 25: SE/4
Section 36: E/2, E/2 NW/2

TOWNSHIP 16 SOUTH, RANGE 33 EAST
Section 29: W/2 SW/4
Section 30: S/2
Section 31: N/2, SW/4
Section 32: W/2 NW/4

containing 1,600 acres.

ILLEGIBLE

Hervey Dow and Hinkle
April 3, 1963
-Page 2-

We approve the Unit Agreement as to form and content, subject to the one change which was agreed upon by telephone as of this date.

Very truly yours,

E. S. Johnny Walker
COMMISSIONER OF PUBLIC LANDS

BY:
(Mrs.) Marian M. Rhea
Supervisor, Unit Division

ESW/mm/e

cc: Oil Conservation Commission
Santa Fe, New Mexico

GOVERNOR
JACK M. CAMPBELL
CHAIRMAN

State of New Mexico
Oil Conservation Commission



LAND COMMISSIONER
E. S. JOHNNY WALKER
MEMBER

P. O. BOX 871
SANTA FE

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

April 18, 1963

Mr. Howard Bratton
Hervey, Dow & Hinkle
Attorneys at Law
Post Office Box 10
Roswell, New Mexico

2785,
2786 and
Re: Case No. 2788
Order No. R-2466, R-2467 & R-2468
Applicant:
Dob Oil Properties, Apache Corp.,
and Ralph Lowe

Dear Sir:

Enclosed herewith are two copies of the above-referenced
Commission order recently entered in the subject case.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ir/

Carbon copy of order also sent to:

Hobbs OCC x
Artesia OCC x (R-2468)
Aztec OCC
OTHER

J. M. HERVEY 1874-1953
HIRAM M. DOW
CLARENCE E. HINKLE
W. E. BONDURANT, JR.
GEORGE H. HUNKER, JR.
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LAW OFFICES
HERVEY, DOW & HINKLE
HINKLE BUILDING
ROSWELL, NEW MEXICO

TELEPHONE 622-6510
AREA CODE 505
POST OFFICE BOX 10

March 29, 1963

New Mexico Oil Conservation Commission
State Capitol
Box 871
Santa Fe, New Mexico

Re: Maljamar North Unit Agreement

Attention: Mr. Dan Nutter

Dear Mr. Nutter:

We enclose herewith in triplicate application of the Apache Corporation of Houston, Texas, for approval of the proposed Maljamar North Unit Agreement. We also enclose three copies of the proposed Unit Agreement.

It is my understanding that this matter has been set down for the Examiner's Hearing which will be held on April 10.

Yours very truly,

HERVEY, DOW & HINKLE

By 

CEH: ev

Encls.

cc: Apache Corporation

DOCKET MAILED

Date 3/29/63
96