

Getty Oil Company

P.O. Box 1231, Midland, Texas 79701

~~Spencer/DV/SB~~ /// North American E & P Division

April 2, 1971

Commissioner of Public Lands
P. O. Box 1148
Santa Fe, New Mexico

Attention: Unit Division

Re: Application for Termination
of Justis McKee Unit
NMOCC Order #R-2965
Federal File 14-08-0001-8726
Lea County, New Mexico

Gentlemen:

Subsequent to my letter of March 24, 1971, Mr. Carl Traywick of the United States Geological Survey in Roswell called me to discuss our Termination Proposal. As recommended, please consider this letter and its attachments as Getty Oil Company's application to terminate the subject unit.

It is my understanding that the effective date of termination of the Unit would be at 7:00 A.M. on the first day of the month following the approval of this termination by the Commissioner and the Director. Due to the time involved for the inventory of the equipment located in the Unit area and the agreement between working interest owners of its disposition, please withhold your approval of this termination until sometime during the month of May so that the effective date of the termination would be on the 1st day of June, 1971. Though you may feel our application for termination is premature due to our requested date of termination, we wanted to insure that you had all the data that would be required for your approval.

In addition to the engineering data which includes the latest water injectivity vs. time curve, I am also including copies

of the ballots approved by working interest owners and their Phase II participation are listed below:

Atlantic Richfield Company	2.91569
W. K. Byrom	0.44286
A. L. Cone	0.44814
J. R. Cone	0.22407
Getty Oil Company	52.90045
Gulf Oil Company - US	21.45200
Neville G. Penrose	0.07197
John B. Rich	0.00249
Texas Pacific Oil Company	0.60498
Skelly Oil Company	2.46134
Sunshine Royalty Company (now Elliott Oil Co.)	0.89627
Texaco Inc.	10.94928
Union Texas Petroleum	3.02493
	<u>96.39447</u>

On the effective date of termination, a joint gauging of the Unit production will be held and stocks on hand will be allocated on the unitized basis. Thereafter no further unit production will be run and individual lease owners who desire to continue producing from the Justis McKee will do so on a lease basis, and will be required to make arrangements for their own lease tankage and storage facilities. From a practical standpoint, it is doubtful that lease operators will continue to produce the Justis McKee zone. As you are no doubt aware, each tract is producing from zones other than the Justis McKee for which separate accounting on a lease basis is being made.

We understand that the preferred order of approval for this termination will be for the Commissioner to approve it first, whereupon the Director will consider our request for termination. Please prepare whatever termination certificate you deem necessary, and if possible, include space for the approval of the Director. If any further information or data is required for your decision in this regard, please advise.

Very truly yours,
GETTY OIL COMPANY

Original Signed By
LAWRENCE B. LINDAHL
Lawrence B. Lindahl

LBL/as

Attachments

CC: Director, Bureau of Land Management
P. O. Box 1449
Santa Fe, New Mexico 87501

The Supervisor
United States Geological Survey
P. O. Drawer 1857
Roswell, New Mexico 88201

Oil Conservation Commission
State of New Mexico
P. O. Box 2088
Santa Fe, New Mexico 87501

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