

CERTIFICATE OF APPROVAL  
OF  
TERMINATION OF OWL DRAW UNIT AGREEMENT  
BY DIRECTOR, UNITED STATES GEOLOGICAL SURVEY

The undersigned Director of the United States Geological Survey does hereby approve the attached Termination of Unit Agreement for the Development and Operation of the Owl Draw Unit Area, Eddy County, New Mexico, No. 14-08-0001-8724, effective as of March 1, 1967.

DATED this 8<sup>th</sup> day of March 1967.

ACTING *William A. Baker*  
DIRECTOR, UNITED STATES GEOLOGICAL  
SURVEY

TERMINATION OF UNIT AGREEMENT FOR THE DEVELOPMENT AND  
OPERATION OF THE OWL DRAW UNIT AREA, EDDY COUNTY  
NEW MEXICO, NO. 14-08-0001-8724

RECEIVED  
FEB 1 1967  
U.S. GEOLOGICAL SURVEY  
EDDY COUNTY, NEW MEXICO

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, being the owners of more than 75% on an acreage basis of the working interests in and to oil and gas leasehold interests committed to the Unit Agreement for the Development and Operation of the Owl Draw Unit Area, Eddy County, New Mexico dated September 24, 1965 heretofore approved by the New Mexico Oil Conservation Commission and the Director of the United States Geological Survey effective as of November 8, 1965, do hereby agree to the termination of said unit agreement in accordance with the provisions of Section 20 thereof, subject to the approval of the Director of the United States Geological Survey.

IN WITNESS WHEREOF, this instrument is executed by the undersigned parties hereto as of the respective dates set opposite their signatures.

Date: 1-30-67

Jake L. Hamon  
Jake L. Hamon

UNIT OPERATOR

Date: 1-30-67

Nancy B. Hamon  
Nancy B. Hamon

Date: 1-9-67

Cary M. Maguire  
Cary M. Maguire

Date: 1-9-67

Ann T. Maguire  
Ann T. Maguire

ATTEST:

Assistant Secretary

GULF OIL CORPORATION

By Attorney-in-Fact

Date:

Form Approved  
Low Copy

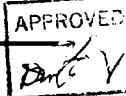
ATTEST:

[Signature]  
Assistant Secretary

Date: 1-17-67

PAN AMERICAN PETROLEUM CORPORATION

[Signature]  
Attorney-in-Fact



STATE OF TEXAS     )  
                              :   ss  
COUNTY OF DALLAS   )

The foregoing instrument was acknowledged before me this 30th day of January, 1967 by Jake L. Hamon and Nancy B. Hamon, his wife.

My Commission Expires:

June 1, 1967

[Signature]  
Notary Public

SHERI ADAMS, Notary Public  
In and for Dallas County, Texas

STATE OF TEXAS     )  
                              :   ss  
COUNTY OF DALLAS   )

The foregoing instrument was acknowledged before me this 9th day of January, 1967 by Cary M. Maguire and Ann T. Maguire, his wife.

My Commission Expires:

6-1-67

[Signature]  
Notary Public

AUDREY SEDLOCK  
NOTARY PUBLIC IN AND FOR DALLAS COUNTY, TEXAS  
MY COMMISSION EXPIRES JUNE 1, 1967

STATE OF NEW MEXICO   )  
                              :   ss  
COUNTY OF CHAVES     )

The foregoing instrument was acknowledged before me this 24th day of January, 1967 by [Signature], Attorney-in-Fact for Gulf Oil Corporation, a Pennsylvania corporation, on behalf of said corporation.

My Commission Expires:

[Signature]  
Notary Public

STATE OF TEXAS     )  
                              :   ss  
COUNTY OF TARRANT   )

The foregoing instrument was acknowledged before me this 17th day of January, 1967 by D. B. Mason, Jr., Attorney-in-Fact for Pan American Petroleum Corporation, a Delaware corporation, on behalf of said corporation.

My Commission Expires:

June 1, 1967

[Signature]  
Notary Public

VELMA B. CRAFT

N.M.O.C.C.

Roswell

3317

MAR 10 1967

Hinkle, Bonfarent & Christy  
Hinkle Building  
Roswell, New Mexico 83201

Gentlemen:

On March 8, 1967, effective as of March 1, 1967, Arthur A. Baker, Acting Director of the Geological Survey, approved the termination of the Oil Drilling unit agreement, Eddy County, New Mexico, No. 14-00-0001-3724, filed by you in behalf of Jake L. Hanson, unit operator, pursuant to the last paragraph of section 20 thereof.

Enclosed are two copies of the approved application for your records. We request that you furnish notice of this approval to each interested working interest owner, lessee, and lessor at their last known address.

Sincerely yours,

RUSSELL G. WAYLAND

For the Director

Enclosures-2

cc: Roswell 2 (w/2 copies of approved application)



RECEIVED  
MAR 13 1967

U. S. GEOLOGICAL SURVEY  
ROSWELL, NEW MEXICO

Copy to N.M.O.C.C.  
Copy to N.M. State L.O.  
Copy to : Artesia



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY  
WASHINGTON 25, D. C.

IN REPLY REFER TO:

H /

3317

SEP 3 1965

Hinkle, Bondurant & Christy  
P. O. Box 10  
Roswell, New Mexico

RECEIVED  
SEP 10 1965

Attention: Mr. Clarence E. Hinkle

HINKLE, BON DURANT & CHRISTY  
ROSWELL, NEW MEXICO

Gentlemen:

Your application of August 24 filed with the Regional Oil and Gas Supervisor, Roswell, New Mexico, in behalf of Jake L. Hamon and Russell Maguire, requests the designation of the Owl Draw unit area embracing 8,916.44 acres, more or less, Eddy County, New Mexico, as logically subject to exploration and development under the unitization provisions of the Mineral Leasing Act, as amended.

Pursuant to unit plan regulations of December 22, 1950, 30 CFR 226.3 (1961 reprint), the land requested as outlined on your plat marked "Exhibit A, Owl Draw Unit, Eddy County, New Mexico," is hereby designated as a logical unit area.

The unit agreement submitted for the area designated should provide for the drilling of the initial exploratory well to test formations of Pennsylvanian age, or to a depth of 12,900 feet. The 1961 reprint of the standard form of unit agreement should be used, modified by the following changes as proposed by your application:

1. Change item 6(b), line 5, page 7 of the 1961 reprint to read:

"(b) the selection shall have been filed with the Supervisor. If no successor unit operator is selected and qualified as herein provided, the Director at his election may declare this unit agreement terminated."

2. The "Fair Employment" section of the 1961 reprint should be replaced with the following:

"Nondiscrimination: In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 301(1) to (7) inclusive of Executive Order 10925, as amended (28 F.R. 6485), which are hereby incorporated by reference in this agreement."

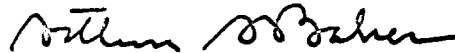
3. Insertion of the appropriate language required for State of New Mexico lands.

In the absence of any other type of land requiring special provisions or any objection not now apparent, a duly executed agreement identical to the 1961 reprint, modified only as outlined above, will be approved if submitted in approvable status within a reasonable time. However, the right is reserved to deny approval of any executed agreement which, in our opinion, does not have full commitment of sufficient lands to afford effective control of unit operations.

When the executed agreement is transmitted to the Supervisor for approval, include the latest status of all acreage. The format of the sample exhibits attached to the 1961 reprint of the standard form should be followed closely in the preparation of Exhibits "A" and "B."

Inasmuch as this unit area contains State of New Mexico lands, we are sending a copy of this letter to the Commissioner of Public Lands at Santa Fe. Please contact the State of New Mexico before soliciting joinders, regardless of prior contacts with or clearances from the State.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "Arthur D. Baker". The signature is fluid and cursive, with the first name "Arthur" and last name "Baker" clearly distinguishable.

Acting Director

N. M. O. C. 17

JAKE L. HAMON  
OIL PRODUCER  
908 VAUGHN BUILDING  
MIDLAND, TEXAS

November 17, 1965

RECEIVED

NOV 29 1965

D. C. C.  
ARTESIA OFFICE

U. S. Geological Survey  
Post Office Drawer U  
Artesia, New Mexico

ATTENTION: Mr. Jim Kenauf

RE: Jake L. Hamon No. 1 Owl Draw Unit,  
T-26-B, R-27-E,  
Eddy County, New Mexico

Gentlemen:

In accordance with your instructions in your letter of November 16, 1965, regarding the above captioned well, this is to advise that the well was spudded at 2:00 P. M. November 14, 1965. As of November 17 it was drilling at 550' and later in the day drill pipe stuck.

In order to comply with federal regulations we authorize you to eliminate Russell Maguire's name from the Application for Permit to Drill, Form No. 9-331C. It was not Mr. Hamon's intent to spud this well prematurely before approval of your office. We had assumed that your office had been notified by the U. S. G. S. in Washington as soon as the unit had been approved, but learned that you did not receive your notification until November 16. It was our error in not notifying you as soon as this information was received in this office that the unit had been approved in Washington. As you requested, our records indicate that you were furnished with Application for Permit to Drill, which was mailed from this office November 1, 1965. You indicated that U. S. G. S. policy directed that only one operator's name could be shown as operator on a federal unit, that being one of the reasons for non-approval of the application to drill. As mentioned above, we have advised you to eliminate Russell Maguire's name from the application.

In summary, we want to reiterate that it was not Mr. Hamon's intention to spud this well prematurely before approval by your office. We had made assumptions that the Application for Permit to Drill had been approved and that everything was in order. We will keep your office advised as to the progress of this well.

ACE:cdm

Yours very truly,

cc: Mr. Russell Maguire  
Mr. Don O. Chapell  
Mr. W. T. LaGrone  
Mr. C. W. Phillips  
Mr. H. W. Shaw

JAKE L. HAMON

*A. C. Elliott*  
A. C. Elliott  
District Geologist

CLARENCE E. HINKLE  
W. E. BONDURANT, JR.  
S. B. CHRISTY IV  
LEWIS C. COX, JR.  
PAUL W. EATON, JR.  
CONRAD E. COFFIELD  
HAROLD L. HENSLEY, JR.  
MICHAEL R. WALLER

LAW OFFICES  
HINKLE, BONDURANT & CHRISTY

HINKLE BUILDING  
ROSWELL, NEW MEXICO

OF COUNSEL: HIRAM M. DOW

TELEPHONE 622-6510  
AREA CODE 505  
POST OFFICE BOX 10

November 15, 1965

3-17

Oil Conservation Commission  
Box 2088  
Santa Fe, New Mexico

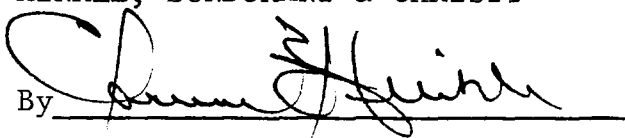
Re: Owl Draw Unit Agreement,  
Eddy County, New Mexico

Gentlemen:

We enclose herewith a fully executed copy of the captioned unit agreement, which was approved by the New Mexico Oil Conservation Commission on October 13, 1965. You will note from the certificate attached that the unit agreement was approved by the Acting Director of the United States Geological Survey on November 8, 1965 and was effective as of that date. Due to the fact that no State lands were committed to the unit, the unit agreement was not approved by the Commissioner of Public Lands. This copy is filed with the Commission in accordance with paragraph (3) of the Commission's order.

Yours very truly,

HINKLE, BONDURANT & CHRISTY

By 

CEH:cs

Enc.

cc: Taylor LaGrone

cc: Lee D. Vendig