

|            | Twin Lakes Oil Company Citgo State # 4 |  |
|------------|--|--|
|            | Twin Lakes Chaves State N. M.          |  |
| Location 1 | COMPANY_T WELL C FIELDT COUNTYC        |  |

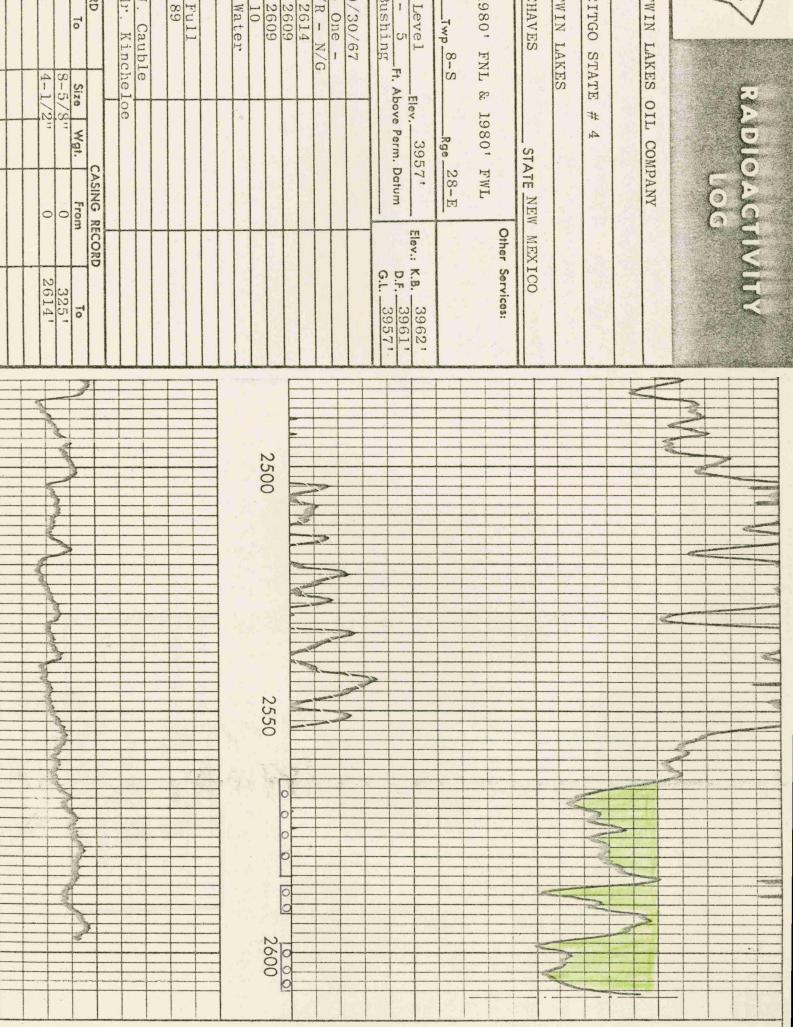
ITGO STATE

#

HAVES

VIN LAKES





Drilling Measured From log Measured from-Permanent Datum-

Ground Level

Kelly Bushing

K. B.

51

MUD NO

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G/R - N/G

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Deptin-Welex

Depri-Driller

bottom Logged Interval

2609 2609 2614

Water

top Logged Interval

ype Fluid in Hole

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89

Operating Rig Time

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Mr.

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8

From

To

Size

BORE-HOLE RECORD

recorded By

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TWINLAKES OIL COMPANY danifoid as associate

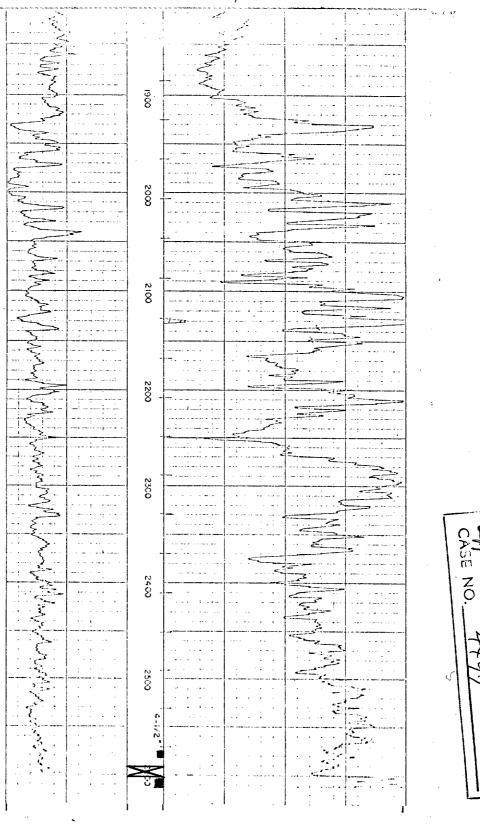
|                       |                                    |                                      | ,                                  |                    |                            |
|-----------------------|------------------------------------|--------------------------------------|------------------------------------|--------------------|----------------------------|
| Well                  | Cumulative Prod. to 1-1-73 (Bbls.) | Oil Prod.<br>1-72 to<br>1-73 (Bbls.) | Gas Prod.<br>1-72 to<br>1-73 (MCF) | Original<br>G.O.R. | G.O.R.<br>Tests<br>7-25-72 |
|                       |                                    |                                      |                                    |                    |                            |
| Twinlakes Oil         |                                    |                                      |                                    |                    |                            |
| #1<br>O'Brien "A"     | 11,647                             | 2,806                                | 2 501                              | 1 100              |                            |
| O Blieff A            | 11,047                             | 2,806                                | 3,581                              | 1,122              | 1,277                      |
| Citgo-State           |                                    |                                      |                                    |                    |                            |
| #4                    | 28,005                             | 4,778                                | 7,301                              | 600                | 659                        |
| Citgo "A"             | 20.004                             | 2 217                                | 0.504                              | 7 040              |                            |
| State #2              | 30,284                             | 3,217                                | 8,604                              | 1,349              | 2,725                      |
| Citgo "A"<br>State #3 | 43,189                             | 3,338                                | 7,919                              | 1,385              | 2,384                      |
|                       | 437103                             | 3,330                                | 7,313                              | 1,303              | 2,504                      |
| Citgo "A"<br>State #5 | 18,070                             | 3,826                                | 5,818                              | 716                | 1,532                      |
|                       |                                    |                                      |                                    |                    |                            |
| O'Brien "C"<br>#2     | 3,449                              | 980                                  | 4 770                              | A                  | 4 022                      |
|                       | 3,449                              | 980                                  | 4,770                              | 4,545-1            | 4,932                      |
| O'Brien "C"<br>#3     | 0                                  | 0                                    | 0                                  | 697-1*             | a.                         |
|                       |                                    |                                      | -                                  | ~ · ·              |                            |
| Twinlakes             |                                    |                                      |                                    |                    |                            |
| State "CH" #1         | 234                                | 234                                  | 80,957                             | 472,000-1          | 546,000                    |

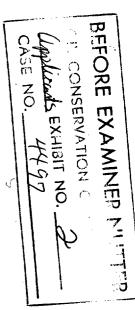
\*New Well completed 3-22-73. G.O.R. run 4-9-73. Produced 52 BO, 5 BW and 36.25 MCF.

|      | E CIT CARL DEZ   |
|------|--|
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NMOCC No. 4497 Exhibit No. 3

### [WINLAKES OIL COMPANY #1 State CH"





| N 1969 Cities Service port 2561-81, 18F944.1 MCF + 280, GOR 477,050
In 1969 Twinlokes perf 2576-81, A/1500, 18F533 MCF +880, 60R 66,662
In Jan, 1971 Twinlokes swabbedin, 18F1, 200 MCF+1080, GOR 120,000,

Still cleaning up.

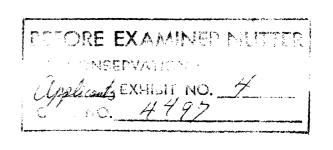
Exhibit 2

CASE NO. 4492

# TWINLAKES OIL CO.

#### WELL HISTORY

| Well                             | Cumulative<br>Prod. to<br>1-1-70 | Nov., 1970<br>Production | Original<br>G.O.R. | 7-70<br>G.O.R. | Current<br>Estimate |
|----------------------------------|----------------------------------|--------------------------|--------------------|----------------|---------------------|
| Twinlakes Oil<br>#1<br>O'Brien A | 4,097                            | 192                      | 1122               | TSTM           | TSTM                |
| Citgo-State<br>#4                | 9,116                            | 159                      | 600                | 633            | 700                 |
| Citgo "A"<br>State #2            | 20,261                           | 285                      | 1349               | 3200           | 5000                |
| Citgo "A"<br>State #3            | 25,892                           | 569                      | 1385               | 2866           | 4000                |
| Citgo "A"<br>State #5            | 6,092                            | 296                      | 716                | 556            | 600                 |
| Mobil Oil<br>O'Brien "C" #2      | 2 455                            | 0                        | 65,000-1           | D-1            |                     |
| Cities Service<br>State "CH" #1  | 0                                | 0                        | 472,000-1          | *              | 120 000 Aas         |
| Twinlakes State "CH" #1          | 0                                | 0                        |                    | 66,662         | 120,000 gas         |



# State of New Mexico



STATE OF NEW MEXICO



# Commissioner of Public Lands

P. O. BOX 1148 SANTA FE, NEW MEXICO

#### COMMUNITIZATION AGREEMENT

| COUNTY | OF    |      | )         |    |         |      |    |    |           |       |              |      |
|--------|-------|------|-----------|----|---------|------|----|----|-----------|-------|--------------|------|
| T      | HAT ! | THIS | AGREEMENT | is | entered | into | as | of | the 17 th | day o | <del>/</del> | our. |

KNOW ALL MEN BY THESE PRESENTS:

19 2( , by and between the parties subscribing, ratifying or consenting hereto, such parties hereinafter being referred to as "Parties hereto";

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by the Legislature, as set forth in Sec. 7-11-47, New Mexico Statutes, Annotated, 1955 Laws, in the interest of conservation of oil and gas and the prevention of waste, to consent to and approve the development or operation of State lands under agreements made by lessees of oil and gas leases thereon, jointly or severally with other oil and gas lessees of State lands, or oil and gas lessees or mineral owners of privately owned or fee lands, for the purpose of pooling or communitizing such lands to form a proration unit or portion thereof, or well-spacing unit, pursuant to any order, rule or regulation of the New Mexico Oil Conservation Commission, where such agreement provides for the allocation of the production of oil or gas from such pools or communitized area on an acreage or other basis found by the commissioner to be fair and equitable.

WHEREAS, the parties hereto, being oil and gas lessees of record, covering lands subject to this agreement, insofar as such leases cover the lands hereinafter described, which leases are more particularly described in the schedule attached hereto, marked Exhibit "A" and made a part hereof, for all purposes, and

WHEREAS, said leases, insofar as they cover the Pl and P2 zones Andres Formation in and under the land hereinafter described

OG-66

applicant's EXHIST NO. 5 Ethibit 5

cannot be independently developed and operated in conformity with the well-spacing program established for such formation in and under said lands; and

WHEREAS, the parties hereto desire to communitize and pool

| their respective interests in said leases subject to this Agreement  |
|--|
| for the purpose of developing, operating and producing oil and gas  Pl and P2 zones of the in the San Andres Formation |
| in and under the land hereinafter described subject to the terms   |
| hereof.  |
| NOW, THEREFORE, in consideration of the premises and the mutual  |
| advantages to the parties hereto, it is mutually convenanted and   |
| agreed by and between the undersigned as follows:  |
| Township 8 Range 28 ,N.M.P.M.  |
| Section 36: W/2 W/2  |
| Chaves County, New Mexico  |
| containing 160 acres, more or less, and so hereby declare that   |
| it is the judgment of the parties hereto that the communitization,   |
| pooling and consolidation of the aforesaid land into a single unit   |
| for the development and production of oil and gas  |
| Pl and P2 zones of from the the San Andres Formation   |
| in and under said land is necessary and advisable in order to prop-  |
| erly develop and produce the oil and gas   |
| Pl and P2 zones of the substances in the said San Andres   |
| Formation beneath said land in accordance with the spacing rules of  |
| the Conservation Commission of the State of New Mexico, and in order   |
| to promote the conservation of theoil and gas  |
| in and what may be produced from said form-  |
| ation in and under said land, and would be in the public interest;   |
| AND, for the purposes aforesaid, the parties hereto do hereby  |

communitize, for proration or spacing purposes only the leases

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OG-66

| described in Exhibit "A" hereto insofar as they cover oil and gas    |
|--|
| Pl and P2 zones  |
| of the San Andres within and that may be produced from the           |
|  |
| Formation (hereinafter referred to as                                |
|  |
| "Communitized Substances") beneath the above-described land, into    |
| a single communitization, for the development, production, operation |
| and conservation of the oil and gas                                  |
| in said formation beneath said land,                                 |

Attached hereto and made a part of this Agreement for all purposes, is Exhibit "A" showing the acreage, and ownership (Lessees of Record) of all lands within the communitized area.

- 2. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leases described in Exhibit "A" hereto in the proportion that the number of surface acres covered by each of such leases and included within the communitized area bears to the total number of acres contained in the communitized area.
- 3. The royalties payable on communitized substances allocated to the individual leases and the rentals provided for in said leases shall be determined and paid in the manner and on the basis prescribed in each of said leases. Except as provided for under the terms and provisions of the leases described in Exhibit "A" hereto or as herein provided to the contrary, the payment of rentals under the terms of said leases shall not be affected by this Agreement; and except as herein modified and changed or heretofore amended, the oil and gas leases subject to this agreement shall remain in full force and effect as originally issued and amended.
- 4. There shall be no obligation upon the parties hereto to offset any well or wells situated on the tracts of land comprising the communitized area, nor shall the undersigned be required to measure

separately the communitized substances by reason of the diverse ownership of the separate tracts of land comprising the said communitized area; provided, however, that the parties hereto shall not be released from their obligation to protect the communitized area from drainage of communitized substances by wells which may be drilled within offset distance (as that term is defined) of the communitized area.

- 5. The Commencement, completion, and continued operation or production of a well or wells for communitized substances on the communitized area shall be considered as the commencement, completion, continued operation or production as to each of the leases described in Exhibit "A" hereto.
- 6. The production of communitized substances and disposal thereof shall be in conformity with the allocations, allotments and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State laws or statutes. This Agreement shall be subject to all applicable Federal and State laws, executive orders, rules and regulations affecting the performance of the provisions hereof, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this Agreement if compliance is prevented by or if such failure results from compliance with any such laws, orders, rules or regulations.
- 7. Twinlakes Oil Company shall be the Unit Operator of said communitized area and all matters of operation shall be determined and performed by Twinlakes Oil Company.
- 8. This Agreement shall be effective as of the date hereinabove written upon execution by the necessary parties, notwithstanding
  the date of execution, and upon approval by the Commissioner of Public

Lands, shall remain in full force and effect for a period of one year from the date hereof and as long thereafter as communitized substances are produced from the communitized area in commercial quantities; provided, however, that prior to production in commercial quantities from the communitized area, and upon fulfillment of all requirements of the Commissioner of Public Lands with respect to any dry hole or abandoned well drilled upon the communitized area, this Agreement may be terminated at any time by mutual agreement of the parties hereto. This Agreement shall not terminate upon cessation of production of communitized substances if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of non production.

- 9. Operator will furnish the Conservation Commission and the Commissioner of Public Lands, of the State of New Mexico, with any and all reports, statements, notices and well logs and records which may be required under the laws and regulations of the State of New Mexico.
- 10. It is agreed between the parties hereto that the Commissioner of Public Lands, or his duly authorized representatives, shall have the right of supervision over all operations under the communitized area to the same extent and degree as provided in the Oil and gas leases described in Exhibit "A" hereto and in the applicable oil and gas regulations of the State of New Mexico.
- 11. If any order of the Oil Conservation Commission upon which this agreement is predicated or based is in anywise changed or modified, then and in such event said agreement is likewise modified to conform thereto.
  - 12. This Agreement may be executed in any number of counterparts,

no one of which needs to be executed by all parties, or may be ratified or consented to by separate instruments, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.

13. This Agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

| OPERATOR:  | TWINLAKES OIL    | COMPANY        |
|--|------------------|----------------|
| Nonald I. Heun Secretary   | BY: N.M. Sur     | Pact President |
| LESSEES OF RECORD:   | CITIES SERVICE O | IL COMPANY     |
|  |                  |                |
|  |                  |                |
| STATE OF NEW MEXICO )  COUNTY OF CHAVES )                        | 5                |                |
| The foregoing instrument day of,196by in Fact on behalf ofTwinla | H. N. Sweeney    | as Attorney    |
|  |                  |                |
| My Commission Expires  | NOT              | ARY PUBLIC     |

| STATE OF NEW MEXICO ) ) SS:                              |
|--|
| COUNTY OF CHAVES )                                       |
| The foregoing instrument was acknowledged before me this |
| day of, 197, by  |
| , of CITIES SERVICE OIL COMPANY, on                      |
| behalf of said company.                                  |
| /  |
| <u> </u>   |
| Notary Public  |
| My commission expires:                                   |
|  |

Exhibit A to Communitization Agreement dated 1-27-7/embracing W2W2 Section 36, Township 8 South, Range 28 East, N. M. P. M. Chaves County, New Mexico

Operator of Communitized Area: TWINLAKES OIL COMPANY

#### DESCRIPTION OF LEASES COMMITTED

Tract No. 1

Lessor: State of New Mexico, Commissioner of Public Lands

Lessee of Record: Cities Service Oil Company

Serial No. of Lease: OG-4681

Date of Lease: October 21, 1958

Description of Lands Committed:  $W_2$  SW4 Section 36

Township 8 South, Range 28 East, N.M.P.M.

Number of Acres: 80

Working Interest and Percentage: Twinlakes Oil Co. -- 100% W.I.

-- **79.**03125% net

O.R.R.I and Percentage: Cities Service Oil Co. -- 5.46875%

George Conley -- 2.00 %
Robert Haynie -- .50 %
Len Mayer -- .50 %

Total

-- 8.46875%

#### Tract No. 2

Lessor: State of New Mexico, Commissioner of Public Lands

Lessee of Record: Cities Service Oil Company

Serial Number of Lease: K-6716

Date of Lease: February 21, 1967

Description of Lands Committed: SW4 NW4 Section 36

Township 8 South, Range 28 East, N.M.P.M.

Number of Acres: 40

Working Interest and Percentage: Twinlakes Oil Co. -- 100% W.I.

82.03125% net

O.R.R.I. and Percentage: Cities Service Oil Co. -- 5.46875%

Exhibit A to Communitization Agreement dated /-27-7/embracing W2W2 Section 36, Township 8 South, Range 28 East, N.M.P.M. Chaves County, New Mexico

Operator of Communitized Area: TWINLAKES OIL COMPANY

#### DESCRIPTION OF LEASES COMMITTED

Tract No. 3

Lessor: State of New Mexico, Commissioner of Public Lands

Lessee of Record: Cities Service Oil Company

Serial No. of Lease: K-2803

Date of Lease: October 16, 1962

Description of Lands Committed: NW4 NW4 Section 36

Township 8 South, Range 28 East, N.M.P.M.

Number of Acres: 40

Working Interest and Percentage: Twinlakes Oil Co. -- 100% W.I.

82.03125% net

O.R.R.I. and Percentage: Cities Service Oil Co. -- 5.46875%

#### RECAPITULATION

| Tract Number   | No. of Acres<br>Committed | Percentage of Interes<br>in Communitized Area |  |  |  |  |
|--|---------------------------|---|--|--|--|--|
| 1<br>2<br>3  | 80 /<br>40<br>40          | 50%<br>25%<br>25%                             |  |  |  |  |
| Distribution of Interest   | Working<br>Interest       | Overriding<br>Royalty Royalty                 |  |  |  |  |
| Twinlakes Oil Co. State of New Mexico Cities Service Oil Co. George Conley Robert Haynie Len Mayer | 80.53125%                 | 12.50% 5.46875% 1.00 % .25 %                  |  |  |  |  |

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applicants EXHIELD NO. 6

# PROPOSED SPECIAL RULES AND REGULATIONS FOR THE TWINLAKES SAN ANDRES POOL

- RULE 1. Each well completed or recompleted in the Twinlakes

  San Andres Pool within one mile thereot, and not nearer to or within the limits of another designated San Andresol, shall be spaced, drilled, operated, and produced in accordance with the Special Rules and Regulations hereinafter set forth.
- RULE 2. (a) Each gas well shall be located on a standard unit containing 160 acres, more or less, substantially in the form of a square, which is a quarter section being a legal subdivision of the United States Public Land Surveys.
- RULE 2. (b) Each oil well shall be located on a standard unit containing 40 acres, more or less, consisting of a governmental guarter-quarter section.
- RULE 3. The Secretary-Director of the Commission may grant an exception to the requirements of Rule 2 (a) without notice and hearing when an application has been filed for a non-standard unit and the unorthodox size or shape of the unit is necessitated by a variation in the legal subdivision of the United States Public Land Surveys, or the following facts exist and the following provisions are complied with:
  - (a) The non-standard unit consists of quarterquarter sections or lots that are contiguous by a common bordering side.
  - (b) The non-standard unit lies wholly within a governmental quarter section and contains less acreage than a standard unit.
  - (c) The applicant presents written consent in the form of waivers from all offset operators and from all operators owning interests in the quarter section in which the non-standard unit is situated and which acreage is not included in said non-standard unit.
- (d) In lieu of paragraph (c) of this rule, the applicant may furnish proof of the fact that all of the aforesaid operators were notified

by registered or certified mail of his intent to form such non-standard unit. The Secretary-Director may approve the application if no such operator has entered an objection to the formation of such non-standard unit within 30 days after the Secretary-Director has received the application.

- RULE 4. Each well, oil or gas, shall be located no nearer than 330 feet to any quarter-quarter section line, except that any well drilled in a known gas productive area shall be located within 150 feet of the center of a quarter-quarter section.
- RULE 5. A well shall be classified as a gas well if it has a gas-liquid ratio of 30,000 or more cubic feet of gas per barrel of liquid hydrocarbons. A well shall be classified as an oil well if it has a gas-liquid ratio of less than 30,000 cubic feet of gas per barrel of liquid hydrocarbons. The simultaneous dedication of any acreage to an oil well and a gas well is prohibited.
- RULE 6. The gas-liquid ratio limitation shall be 4,000 cubic feet of gas per barrel of liquid hydrocarbons.
- RULE 7. An oil well which has 40 acres dedicated to it shall be permitted to produce an amount of gas determined by multiplying the top unit oil allowable for the pool by the limiting gas-liquid ratio for the pool. In the event there is more than one oil well on a 40-acre oil proration unit, the operator may produce the allowable assigned to the 40-acre unit from the wells on the unit in any proportion.

A gas well shall be permitted to produce that amount of gas obtained by multiplying the top unit oil allowable for the pool by the limiting gas-liquid ratio for the pool and by a fraction, the numerator of which is the number of acres dedicated to the particular gas well and the denominator of which is 40. In the event there is more than one gas well on a 160-acre gas proration unit, the operator may produce the amount of gas assigned to the unit from the wells on the unit in any proportion.

RULE 8. The operator of each newly completed well shall cause a gas-liquid ratio test to be taken on the well upon recovery of all load oil from the well, provided however, that in no event shall the test be commenced later than 30 days from the date of first production unless the well is connected to a gas-gathering facility and is producing under a temporary gas allowable assigned

in accordance with Rule 11. Any well which is shut in shall be exempted from the gas-liquid ratio test requirement so long as it remains shut in. The initial gas-liquid ratio test shall be taken in the manner prescribed by Rule 9. If the gas-liquid ratio is 30,000 cubic feet of gas per barrel of liquid hydrocarbons, or more, the operator shall not produce the well until beneficial use can be made of the gas.

No gas shall be flared or vented from any well classified as an oil well more than 60 days after the commencement of gas sales from the field or 60 days after the effective date of these rules, whichever is later. Any operator that desires to obtain an exception to the foregoing provisions for a well classified as an oil well shall submit to the Secretary-Director of the Commission an application for such exception with a statement setting forth the facts and circumstances justifying it. The Secretary-Director is hereby authorized to grant such an exception if he determines that the granting of it is reasonably necessary. If the Secretary-Director declines to grant administrative approval of the requested exception, the matter shall be set for hearing if the operator so requests.

RULE 9. Gas-liquid ratio tests shall be taken on all wells during the months of January, and July, year. The initial gas-liquid ratio test shall suffice as the first semi-annual sest. Tests shall be 24-hour tests, being the final 24 hours of a 72-hour period during which the well shall be produced at a constant normal rate of production. Results of such tests shall be filed on Commission Form C-116 on or before the 10th day of the following month. At least 72 hours prior to commencement of any such gas-liquid ratio tests, each operator shall file with the Artesi Office of the Commission a test schedule for its wells, specifying the time each of its wells is to be tested. Copies of the test schedule shall also be furnished to all offset operators.

Special tests shall also be taken at the request of the Secretary-Director and may also be taken at the option of the operator. Such special tests shall be taken in accordance with the procedures outlined hereinabove, including notification to the Commission and offset operators.

RULE 10. An initial shut-in pressure test shall be taken on each gas well and shall be reported to the Commission on Form C-125.

RULE 11. Any well completed after the effective date of these rules shall receive an allowable only upon receipt by the Commission's Hobbs Office of Commission Forms C-104 and C-116, properly executed. The District Supervisor of the Commission's Hobbs Office is hereby authorized to assign a temporary gas allowable to wells connected to a gas transportation facility during the recovery of load oil, which allowable shall not exceed the number of cubic feet of gas obtained by multiplying the daily top unit allowable for the pool by the limiting gasliquid ratio for the pool.

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- RULE 12. Balancing dates shall be 7 o'clock a.m. January the first and 7 o'clock a.m. July the first, and the periods of time bounded by these dates shall be gas proration periods.
- RULE 13. Any gas well which has an underproduced status as of the end of a gas proration period shall be allowed to carry such underproduction forward into the next gas proration period and may produce such underproduction in addition to the allowable assigned during such succeeding period. Any allowable carried forward into a gas proration period and remaining unproduced at the end of such gas proration period shall be cancelled.
- RULE 14. Production during any one month of a gas proration period in excess of the allowable assigned to a well for such month shall be applied against the underproduction carried into such period in determining the amount of allowable, if any, to be cancelled.
- RULE 15. Any well which has an overproduced status as of the end of a gas proration period shall carry such overproduction forward into the next gas proration period, provided that such overproduction shall be compensated for during such succeeding period. Any well which has not compensated for the overproduction carried into a gas proration period by the end of such proration period shall be shut in until such overproduction is compensated for. If, at any time, a well is overproduced an amount equalling three times its current monthly allowable, it shall be shut in during that month and each succeeding month until the well is overproduced less than three times its current monthly allowable.
- RULE 16. The allowable assigned to a well during any one month of a gas proration period in excess of the production for the same month shall be applied against the overproduction carried into such period in determining the amount of overproduction, if any, which has not been compensated for.

- RULE 17. The Commission may allow overproduction to be compensated for at a lesser rate than would be the case if the well were completely shut in upon a showing after notice and hearing that complete shut in of the well would result in material damage to the well or reservoir.
- RULE 18. The monthly gas production from each gas well shall be metered separately and the gas production therefrom shall be reported to the Commission on Form C-115 so as to reach the Commission on or before the 24th day of the month next succeeding the month in which the gas was produced. The operator shall show on such report what disposition has been made of the produced gas.
  - RULE 19. Each purchaser or taker of gas shall submit a report to the Commission so as to reach the Commission on or before the 15th day of the month next succeeding the month in which the gas was purchased or taken. Such report shall be filed on Form C-111 with the wells being listed in the same order as they are listed on the oil proration schedule.
  - RULE 20. Failure to comply with any provision of these rules shall result in the immediate cancellation of allowable assigned to the affected well. No further allowable shall be assigned until all rules and regulations have been complied with. The Secretary-Director shall notify the operator of the well and purchaser in writing of the date of allowable cancellation and the reason therefor.
  - RULE 21. All transporters or users of gas shall file gas well-connection notices with the Commission as soon as possible after the date of connection.
  - RULE 22. Allowables to wells whose classification has changed from oil to gas or from gas to oil as the result of a gas-liquid ratio test shall commence on the first day of the month following the month in which such test was reported, provided that a plat (Form C-102) showing the acreage dedicated to the well and the location of all wells on the dedicated acreage has been filed.

#### IT IS FURTHER ORDERED:

(1) That all operators shall, prior to April 1, 1971file with the Commission Form C-102 for each well showing the acreage dedicated to the well.

- (2) That all operators shall take new gas-oil ratio tests on all wells and file the results thereof with the Commission on Form C-116 prior to May 1, 1971; that the daily tolerance provision of Commission Rule 502 I is hereby waived for the purpose of testing wells at the allowable rate authorized by these rules.
  - (3) That this case shall be reopened at an examiner hearing in Feb. 1972, at which time the operators in the subject pool shall show cause why the gas-liquid ratio limitation of 4,000 cubic feet of gas per barrel of liquid hydrocarbons should not be reduced and why the special rules and regulations promulgated by this order should not be discontinued.
  - (4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Bruce King

, Chairman

Alex J. Armijijo, , Member

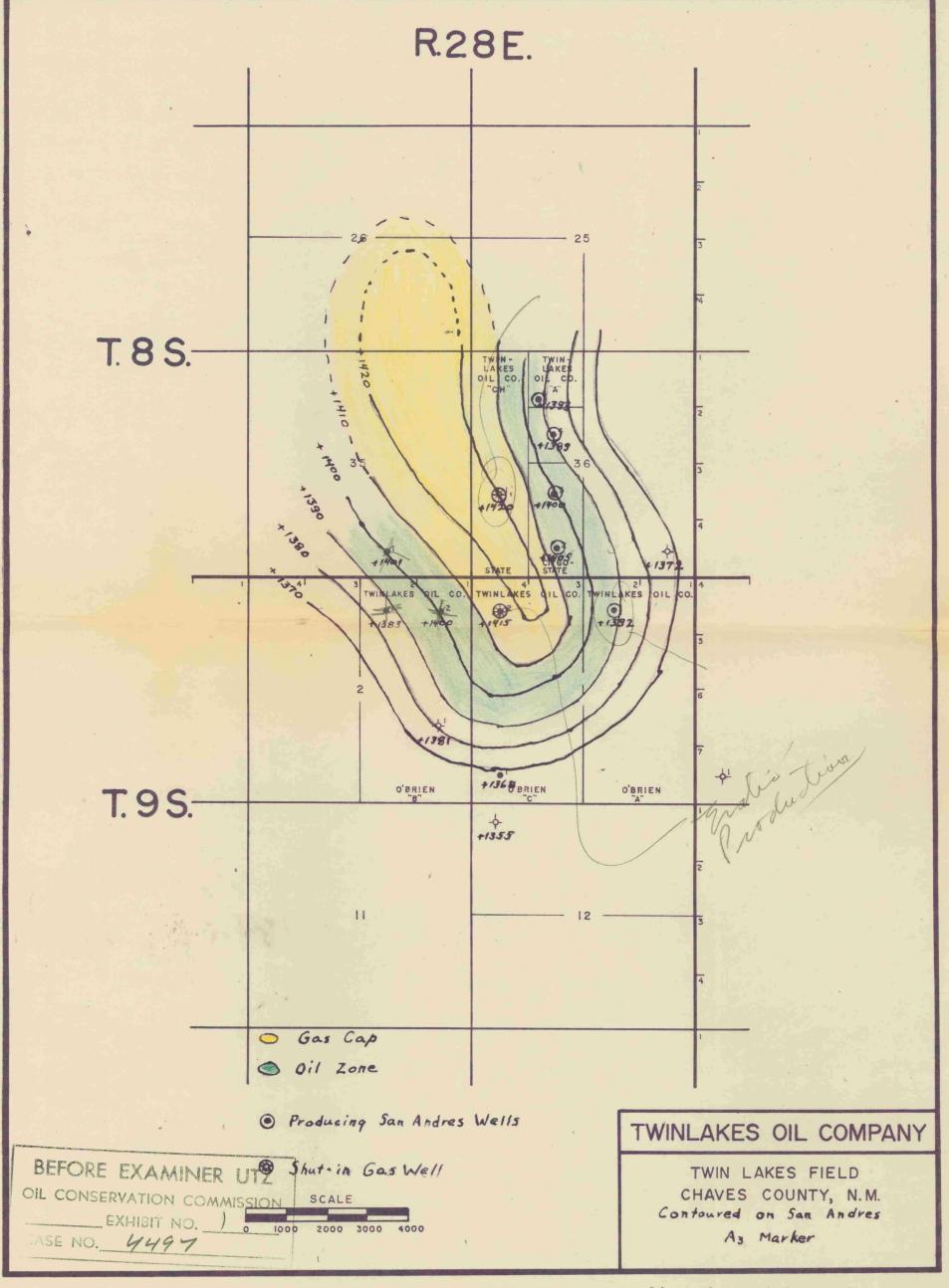
A. L. PORTER, Jr., Member & Secretary

SEAL

# Gas-Oil Ratio Tests

|              | State CH Com 1 1 12/71 | Citgo "A" State 5 | Citgo "A" State 3 | Citgo "A" State 2 | Citgo State | O'Brien "C"    | O'Brien "A" | Lease                 |
|--------------|------------------------|-------------------|-------------------|-------------------|-------------|----------------|-------------|-----------------------|
|              | 1                      | te 5              | te 3              | te 2              | 4           | 2              | <b>L</b>    | Well No.              |
|              | . 12/71                | 4/68 29           | 10/67             | 5/67              | 11/67 40    | 4/71           | 11/67 10    | Ir<br>Date            |
|              | 4 2                    |                   | 68                | 59                | 40          | 11             | 10          | Initial<br>Oil        |
|              | 4 235250/1             | 716/1             | 1385/1            | 5/67 59 1349/1    | 600/1       | 4/71 11 4545/1 | TSTM        | Initial  Date Oil GOR |
|              |                        | 18                | 35                | 15                | 10          |                | <b>∞</b>    | 7/<br>Oil             |
|              | 40                     | 611/1             | 2914/1            | 3800/1            | 700/1       |                | TSTM        | 7/69<br>Oil GOR       |
| <u>,</u>     | omet.                  | 18                | 30                | 10                | 15          |                | 8           | 7,                    |
| 1.50 A 5.6.1 | 400Mcfd. cuty.         | 18 556/1          | 2866/1            | 3200/1            | 633/1       |                | TSTM        | 7/70<br>Oil GOR       |
|              |                        | 22                | 23                | 23                | 38          |                | 20          | 0i1                   |
|              | 1.000AH20001           | 22 1180/1         | 23 6400/1         | 23 5100/1         | 38 1316/1   | ٠              | 20 1300/1   | 3/71<br>Oil GOR       |
|              | 11)                    | 22                | 24                | 15                | 34          | 14             | 12          | Oil                   |
| J. W.        | 000                    | 22 1182/1         | 24 6125/1         | 15 7000/1         | 34 1441/1   | 14 3071/1      | 12 1333/1   | 8/71<br>Oil GOR       |
| ٠<br>•       | . 4                    | 16                | 16                | 16                | 28          | 17             | 12          | Oil                   |
| 1000011      | 06500/1                | 16 1500/1         | 16 8438/1         | 16 8000/1         | 28 1614/1   | 17 3059/1      | 12 1833/1   | 1/72<br>Oil GOR       |

OIL CONSERVATION COMMISSION
CASE NO. 4457



Applicant's Exhibit No. 1

