



STATE OF NEW MEXICO  
**ENERGY AND MINERALS DEPARTMENT**  
OIL CONSERVATION DIVISION

TONEY ANAYA  
GOVERNOR

October 23, 1984

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87501  
(505) 827-5800

Karen Aubrey  
Kellahin & Kellahin  
Attorneys at Law  
P. O. Box 2265  
Santa Fe, New Mexico 87504-2265

Re: Case No. 8243  
Division Order No. R-7626

Dear Ms. Aubrey:

As requested in your letter dated October 19, 1984, under the provisions of Order No. R-7626 you are hereby granted an extension of time to commence the well on the unit pooled under the terms of said order from October 31, 1984 to December 31, 1984.

Sincerely,

R. L. STAMETS  
Acting Director

RLS/MES/fd

cc: Robert Chandler  
341 Mid America Building  
Midland, Texas 79701

✓ Case File

Jason Kellahin  
W. Thomas Kellahin  
Karen Aubrey

KELLAHIN and KELLAHIN  
*Attorneys at Law*  
El Patio - 117 North Guadalupe  
Post Office Box 2265  
Santa Fe, New Mexico 87504-2265

Telephone 982-4285  
Area Code 505

October 19, 1984

HAND-DELIVERED

RECEIVED

OCT 22 1984

OIL CONSERVATION DIVISION

Mr. Richard Stamets  
Acting Director  
Oil Conservation Division  
Post Office Box 2088  
Santa Fe, New Mexico 87501

Re: Case No. 8243, Order No. R-7626

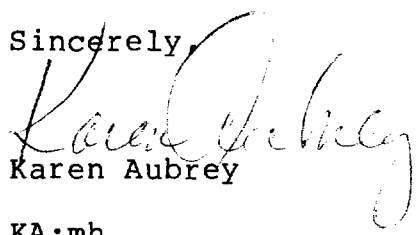
Dear Mr. Stamets:

On August 16, 1984, a forced pooling Order was issued in the above matter. The Order expires on October 31, 1984. Because of a delay in the negotiations with Amoco for a farmout, we are requesting that the Order be extended until December 31, 1984.

In order to facilitate this matter, I have taken the liberty of enclosing a proposed Order extending the August 16, 1984 Order.

Thank you for your consideration of this matter.

Sincerely,

  
Karen Aubrey

KA:mh

Enc.

cc: Mr. Robert Chandler  
341 Mid America Building  
Midland, Texas 79701

**STATE OF NEW MEXICO  
DEPARTMENT OF ENERGY AND MINERALS  
OIL CONSERVATION DIVISION**

**RECEIVED**

**OCT 22 1984**

**OIL CONSERVATION DIVISION**

IN THE MATTER OF THE  
HEARING CALLED BY THE  
OIL CONSERVATION DIVISION  
FOR THE PURPOSE OF  
CONSIDERING:

APPLICATION OF ROBERT E. CHANDLER  
CORP., FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO

CASE NO. 8243

ORDER NO. R-7626-B

**PROPOSED ORDER OF THE DIVISION**

**BY THE DIVISION:**

(1) On August 16, 1984, Order R-7626 was issued pooling the mineral interests from the surface to the base of the Drinkard formation underlying the NW/4 NW/4 of Section 12, Township 20 South, Range 38 East, NMPM, House (Drinkard) Pool, Lea County, New Mexico.

(2) Order R-7626 provides:

"that in the event said operator does not commence the drilling of said well on or before the 31st day of October, 1984, Order (1) of this Order shall be null and void and of no effect whatsoever, unless said operator obtains a time extension from the Division for good cause shown."

(3) That applicant has requested an extension of Order R-7626 until December 31, 1984, in order to conclude farmout negotiations and title examination.

(4) That applicant has shown good cause for an extension.

(5) That granting an extension until December 31, 1984 will not impair correlative rights, will promote conservation and prevent waste.

Case No. 8243  
Order No. R-7626-B  
Page - 2 -

IT IS THEREFORE ORDERED:

That Order R-7626 be, and it hereby is extended  
until December 31, 1984.

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

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

Richard L. Stamets  
Acting Director

S E A L

J P Land Inc.  
Post Office Box 2817  
Roswell, New Mexico 88201

CASE NO. - 8243

CONSERVATION DIVISION  
ORDER NO. - R-7626

September 21, 1984

Michael,  
For your info.

SEP 24 1984

Thank you for  
the help.

RECEIVED

Chandler & Savage  
341 Mid-America Bldg  
Midland, Texas 79701

RE: Number One Amoco "12"  
NW $\frac{1}{4}$  NW $\frac{1}{4}$  Section 12  
T-20-S, R-38-E  
Lea County, New Mexico

Dear Sirs:

The undersigned was contacted Friday, September 14, 1984, by the Trust Officer for the Dreesson Trust et. al. purporting to own a one-eighth (1/8) mineral interest in the captioned acreage. At that time the undersigned negotiated a lease covering this one-eighth (1/8) interest, and mailed the leases to the respective parties.

To this date the leases have not been returned to the undersigned. I have tried to contact the Trust Officer with regard to said leases, but he has been ill and out of the office.

I also contacted Mr. John Savage on Friday, September 14, 1984, relating to him my position in the acreage. At that time I requested an extension of time in which to make my election to participate or not participate in the captioned well, based on the following facts: 1) I do not have the leases in my possession. 2) I do not have an AFE for the proposed well. Mr. Savage stated that he would need to confer with Mr. Chandler who will not be in the office until September 26, 1984.

On Tuesday, September 18, 1984, Mr. Tom Kellahin, who represented you at the force pool hearing, contacted me and stated I would have to make my election and pay my share of the costs by September 22, 1984. Mr. Kellahin sent me an AFE which I received Thursday, September 20, 1984 at 3:00 p.m.

I have diligently tried to contact Mr. Chandler the past week. My position in this matter is that I would very much like to negotiate a working interest participation with Mr. Chandler and Mr. Savage in the captioned prospect, however I do not feel that it would be good business to pay \$46,875.00 estimated cost prior to having the signed leases in hand.

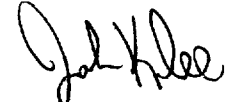
I feel very confident that the leases will be delivered to me since the Trust Officer took the time to contact me willing to lease the interest he controls.

I have spoken with Mr. Michael Stogner, Examiner for the Oil Conservation Division. He stated that an extension of time can be granted upon request by the applicant.

Your cooperation in this matter is greatly appreciated, I hope you understand my position in this matter. I look forward to hearing from you.

Sincerely,

J P Land Inc.

A handwritten signature in black ink, appearing to read "John Klee". The signature is written in a cursive, flowing style.

John Klee  
President

JK/jb

Jason Kellahin  
W. Thomas Kellahin  
Karen Aubrey

KELLAHIN and KELLAHIN  
*Attorneys at Law*  
El Patio - 117 North Guadalupe  
Post Office Box 2265  
Santa Fe, New Mexico 87504-2265

Telephone 982-4285  
Area Code 505

September 19, 1984

Mr. John Klee  
831 Petroleum Building  
Roswell, New Mexico 88201

"Federal Express"

Re: Robert Chandler  
NMOCD Case 8243  
Order R-7626-A



Dear John:

In accordance with our telephone conversation yesterday, please find enclosed a copy of the August 1, 1984, AFE for the well to be drilled pursuant to the referenced forced pooling order.

Also enclosed for your information is a copy of the map showing the House Drinkard Field that was used at the Oil Conservation Division hearing on July 25, 1984.

We discussed the fact that you had acquired some of the interests I had pooled for Mr. Chandler. I also advised you that the period in which you could pay your share of the costs of the well and participate, thereby avoiding the penalty, would expire thirty days after the following dates of service on the parties pooled:

Dreessen Trust	August 22, 1984
Priscilla Kyte	August 22, 1984
Betty Dreessen	August 24, 1984
Edward Breessen	August 28, 1984

Each of the interests you obtained are subject to the referenced pooling order. Please call me if you have any questions.

Very truly yours,

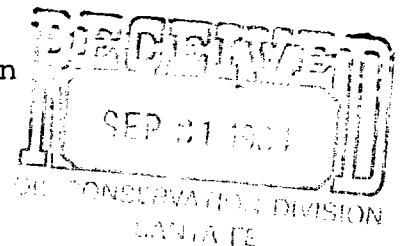
Original signed by

W. THOMAS KELLAHIN

W. Thomas Kellahin

WTK:ca  
Enc.

cc: Mr. Robert Chandler  
Mr. R. L. Stamets - OCD



Jason Kellahin  
W. Thomas Kellahin  
Karen Aubrey

KELLAHIN and KELLAHIN  
*Attorneys at Law*  
El Patio - 117 North Guadalupe  
Post Office Box 2265  
Santa Fe, New Mexico 87504-2265

Telephone 982-4285  
Area Code 505

August 20, 1984

Mr. Kenneth R. Cronin  
Dreessen Trust  
Bank of California  
Post Office Box 7629  
San Francisco, California 94120

CERTIFIED MAIL  
RETURN RECEIPT

Ms Priscilla A. Kyte  
Post Office Box 30036  
Santa Barbara, California 93103

CERTIFIED MAIL  
RETURN RECEIPT

Ms Betty M. Dreessen  
27447 Edgerton Road  
Los Altos Hills, California 94072

CERTIFIED MAIL  
RETURN RECEIPT

Mr. Edward Dreessen, Jr.  
Post Office Box 416  
Los Altos Hills, California 94072

CERTIFIED MAIL  
RETURN RECEIPT

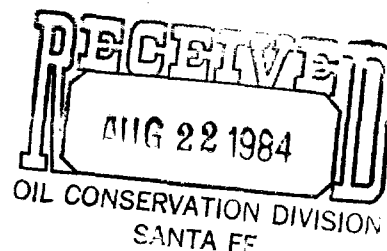
Re: Robert E. Chandler  
Forced Pooling Order R-7626  
NMOCD Case 8243

Dear Ladies and Gentlemen:

Our firm represents Robert E. Chandler, Corporation and we have obtained in its behalf a forced pooling Order, (copy enclosed).

The forced pooling Order is issued by the New Mexico Oil Conservation Division and is effective as of August 16, 1984. Pursuant to the terms of that Order the 1/4 mineral interest owned by the Cecil and Marie Kyte heirs underlying the NW/4NW/4 of Section 12, T20S, R38E, NMPM, Lea County, New Mexico has been pooled.

It is our understanding that the one-quarter mineral interest is now held as follows:





KELLAHIN and KELLAHIN

Mr. Kenneth R. Cronin  
Ms Priscilla A. Kyte  
Ms Betty M. Dreessen  
Mr. Edward Dreessen, Jr.  
Page -2-  
August 20, 1984

1. Priscilla A. Kyte, Individually  
and as Conservator of the Estate  
of David Bond Kyte, NCM  
Post Office Box 30036  
Santa Barbara, California 93103 1/8th
  2. Betty M. Dreessen, Trustee of the  
Betty M. Dreessen Revocable Living  
Trust u/a/d 10.17.77  
27447 Edgerton Road  
Los Altos Hills, California 94072 1/16th
  3. Edward Dreessen, Jr.  
c/o Betty M. Dreessen  
Last Address: P. O. Box 416  
Los Altos Hills, CA 12% x 1/16th
  4. The Craig and Ingrid Powell  
Revocable Living Trust u/a/d  
6.18.78  
c/o Betty M. Dreessen  
(No other address known) 12% x 1/16th
  5. The Bank of California, Trustee  
of the Betty Kyte Dreessen Trusts  
No. 12120108  
No. 12120135  
Post Office Box 45000  
San Francisco, CA 94145 76% x 1/16th
- TOTAL 1/4th mineral interest

Also, enclosed is a copy of an Authority for  
Expenditure dated August 1, 1984 for the Number One  
Amoco 12 Well to be drilled in this 40-acre tract.

Pursuant to the Order R-7626, each of you on  
behalf of the various interests identified above, has

KELLAHIN and KELLAHIN

Mr. Kenneth R. Cronin  
Ms Priscilla A. Kyte  
Ms Betty M. Dreessen  
Mr. Edward Dreessen, Jr.

Page -3-  
August 20, 1984

thirty days from receipt of this notice to prepay  
your share of the costs of the well by certified  
check delivered to:

Mr. Robert E. Chandler  
Mid-America Building  
Midland, Texas 79701

Should you have any questions about this Order  
or your rights and obligations thereunder, please  
call me.

Very truly yours,

  
W. Thomas Kellahan

WTK:mh

Enclosures

cc: Mr. Robert E. Chandler  
Mid-America Building  
Midland, Texas 79701

Mr. Brian K. Murphy  
506 Petroleum Building  
Midland, Texas 79701

✓ Mr. Joe D. Ramey  
Oil Conservation Division  
Post Office Box 2088  
Santa Fe, New Mexico 87501

Jason Kellahin  
W. Thomas Kellahin  
Karen Aubrey

KELLAHIN and KELLAHIN  
*Attorneys at Law*  
El Patio - 117 North Guadalupe  
Post Office Box 2265  
Santa Fe, New Mexico 87504-2265

Telephone 982-4285  
Area Code 505

August 3, 1984

Mr. Michael Stogner  
Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87501

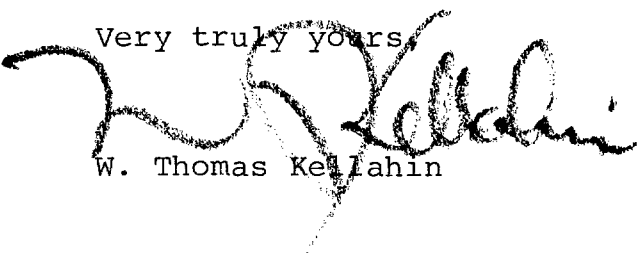
RECEIVED  
AUG 3 1984  
OIL CONSERVATION DIVISION  
"Hand Delivered"

Re: NMOCD Case 8243  
Robert E. Chandler Corporation  
Forced Pooling Case

Dear Mr. Stogner:

Please find enclosed a copy of the AFE for the  
above referenced application that was heard on July 11,  
1984.

Very truly yours,

  
W. Thomas Kellahin

WTK:ca  
Enc.

cc: Robert Chandler  
341 Mid America Bldg.  
Midland, Texas 79701

CHANDLER AND SAVAGE  
PETROLEUM CONSULTANTS  
341 MID-AMERICA BLDG.  
MIDLAND, TEXAS 79701

August 1, 1984

AUTHORIZATION FOR EXPENDITURE  
NUMBER ONE AMOCO "12"  
NORTHWEST QUARTER OF THE NORTHWEST  
QUARTER OF SECTION 12, T-20-S, R-38-E  
LEA COUNTY, NEW MEXICO  
DRILLED TO A DEPTH OF 7500 FEET AND  
COMPLETED TO THE TANKS

Geological and engineering	\$ 5,500.00
Land work	4,500.00
Leasehold cost	15,000.00
Legal fees	5,000.00
Surface damages	4,000.00
Location, roads, pits	6,500.00
Drilling contractor, mud, water, etc.	135,000.00
Surface casing - 300' of 12-3/4 @ \$7/ft	2,100.00
Cement surface casing	5,000.00
Intermediate casing - 3500' of 8-5/8 @ \$5/ft	17,500.00
Cement intermediate casing	3,000.00
Production casing - 7500' of 4-1/2 @ \$4/ft	30,000.00
Cement production casing	10,500.00
Logs	15,000.00
Perforations and stimulation	15,000.00
Pumping unit and base	20,000.00
Tubing - 7400' of 2-3/8's @ \$2/ft	14,800.00
Rods - 7400' of 3/4s" & 7/8s" @ \$1.50/ft	11,100.00
Down-hole pump, tubing anchor, etc.	3,000.00
Electricity hook-up for pumping unit	7,500.00
Tank battery	15,000.00
Consultation	5,000.00
Contingencies	<u>25,000.00</u>
	\$375,000.00

CHANDLER AND SAVAGE  
PETROLEUM CONSULTANTS

341 MID-AMERICA BLDG.

MIDLAND, TEXAS 79701

August 1, 1984

AUTHORIZATION FOR EXPENDITURE  
NUMBER ONE AMOCO "12"  
NORTHWEST QUARTER OF THE NORTHWEST  
QUARTER OF SECTION 12, T-20-S, R-38-E  
LEA COUNTY, NEW MEXICO  
DRILLED TO A DEPTH OF 7500 FEET AND  
COMPLETED TO THE TANKS

Geological and engineering	\$ 5,500.00
Land work	4,500.00
Leasehold cost	15,000.00
Legal fees	5,000.00
Surface damages	4,000.00
Location, roads, pits	6,500.00
Drilling contractor, mud, water, etc.	135,000.00
Surface casing - 300' of 12-3/4 @ \$7/ft	2,100.00
Cement surface casing	5,000.00
Intermediate casing - 3500' of 8-5/8 @ \$5/ft	17,500.00
Cement intermediate casing	3,000.00
Production casing - 7500' of 4-1/2 @ \$4/ft	30,000.00
Cement production casing	10,500.00
Logs	15,000.00
Perforations and stimulation	15,000.00
Pumping unit and base	20,000.00
Tubing - 7400' of 2-3/8's @ \$2/ft	14,800.00
Rods - 7400' of 3/4s" & 7/8s" @ \$1.50/ft	11,100.00
Down-hole pump, tubing anchor, etc.	3,000.00
Electricity hook-up for pumping unit	7,500.00
Tank battery	15,000.00
Consultation	5,000.00
Contingencies	<u>25,000.00</u>
	\$375,000.00

WU AGT SANA

WU INFOMASTER 1-018259M206 07/24/84

ICS IPMKAKC KSC

02441 07-24 0504P CDT KAKA

TWX 9109850511 WU AGT SANA

4-048868S206 07/24/84

ICS IPMRNCZ CSP

4157652406 TDRN SAN FRANCISCO CA 93 07-24 0505P EST

PMS STATE OF NEW MEXICO, DEPT OF ENERGY AND MINERALS

STATE LAND BLDG RPT DLY MGM, DLR BY 9AM 7/25/84, DLR

310 OLD SANTA FE TRAIL

OIL CONSERVA 206

SANTA FE NM 87501

ATTN MR J RAMEY

REGARDING T20S, R38E, NMPM SECTION 12 NW/4 NW/4 LEA COUNTY NEW MEXICO

MR RAMEY:

WE ATTEMPTED TO NEGOTIATE WITH MR BRIAN MURPHY REPRESENTING THE OPERATOR, ROBERT E CHANDLER CORPORATION, OVER THE PAST SEVERAL MONTHS FOR A ROYALTY INTEREST AND A SHORT TERM LEASE DUE TO THE DEPLETION OF THE AREA BY 4 OTHER PRODUCING WELLS. OPERATOR DECLINED TO PURCHASE.

"WE STRONGLY PROTEST AND OBJECT TO THE FORCED POOLING".

WE RESPECTFULLY REQUEST THAT THE COURT PROVIDE TO US A COPY OF THE HEARING.

CC: BETTY M DREESSEN

ROGER KEKORES, ATTORNEY

KENNETH R CRONIN, TRUST REAL ESTATE OFFICER

DREESSEN TRUST 12120108/-0135

BANK OF CALIFORNIA

PO BOX 7629

SAN FRANCISCO CA 94120

1706 EST

1710 EST

WU AGT SANA

KELLAHIN and KELLAHIN

*Attorneys at Law*

El Patio - 117 North Guadalupe

Post Office Box 2265

Santa Fe, New Mexico 87504-2265

Jason Kellahin  
W. Thomas Kellahin  
Karen Aubrey

Telephone 982-4285  
Area Code 505

July 6, 1984

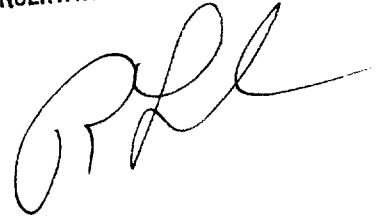
(HAND DELIVERED)

RECEIVED

JUL 6 1984

Mr. Joe D. Ramey  
Oil Conservation Division  
Post Office Box 2088  
Santa Fe, New Mexico 87501

OIL CONSERVATION DIVISION

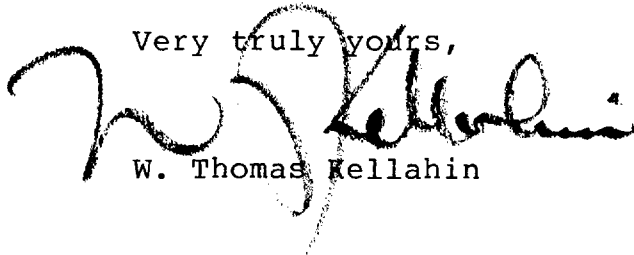


Re: Robert E. Chandler  
Forced Pooling case  
NMOCD Case No. 8243

Dear Mr. Ramey:

On behalf of the applicant in the referenced case now set for hearing on July 11, 1984, please continue this case to the Examiner Hearing Docket set for July 25, 1984.

Very truly yours,



W. Thomas Kellahin

WTK:mh

cc: Robert E. Chandler  
Brian K. Murphy