

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

September 9, 1959

Mr. Jason Kellahin
P. O. Box 1713
Santa Fe, New Mexico

Dear Mr. Kellahin:

On behalf of your client, Cities Service Oil Company,
we enclose two copies of Order No. R-1477 issued by
the Oil Conservation Commission on September 1, 1959,
in Case No. 1744.

Very truly yours,

A. L. PORTER, Jr.,
Secretary-Director

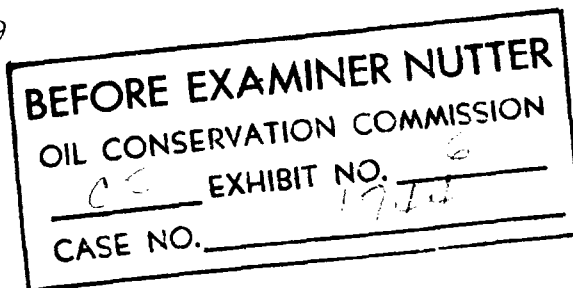
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Enclosures

TEXAS PACIFIC COAL AND OIL COMPANY

GENERAL OFFICES
FORT WORTH 1
TEXAS

August 10, 1959



Cities Service Oil Company
Cities Service Building
Bartlesville, Oklahoma

Attention: Mr. E. E. Funk

Re: Line Agreement
Drickey Queen Sand Unit
Chaves County, New Mexico

Gentlemen:

We are pleased to write this letter in response to our recent telephone conversation and Mr. Hines' letter of August 6th regarding the above reference.

The line wells to be converted as set forth in your proposed line agreement is agreeable to us. We intend to convert and inject water into our line wells that were designated in your agreement in order to cooperate in the secondary recovery of oil in the Caprock Queen Field.

However, due to the uncertainty of conversion dates of your wells as necessitated by the proper scheduling of development and by control of the regulatory bodies, and the uncertainty of many other factors and conditions involved, we feel it would be untimely and questionable for us to execute your agreement now.

We will bear in mind your estimated conversion date of February, 1961, for our wells, and we will be pleased to review this matter with you at any time in the future.

Very truly yours,

TEXAS PACIFIC COAL AND OIL COMPANY

By


D. A. Bonney, Manager of Production

DAB:SVB:bsm

cc: Gulf Oil Corporation
Box 669
Roswell, New Mexico

AMBASSADOR OIL CORPORATION

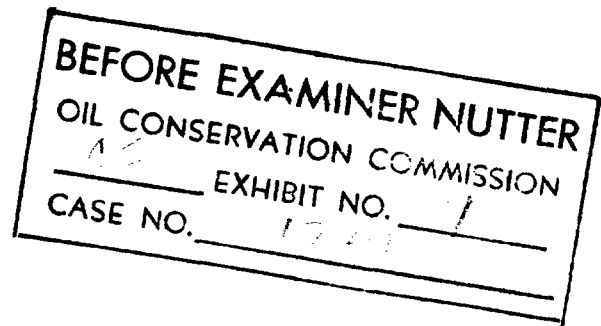
3109 WINTHROP AVENUE

P. O. Box 9338

FORT WORTH 7, TEXAS

August 12, 1959

F. KIRK JOHNSON
PRESIDENT



Cities Service Oil Company
Bartlesville, Oklahoma

Attention: Mr. E. E. Funk

Gentlemen:

This is to verify the points brought out in our recent discussions relative to the Cities Service Caprock Drickey Queen Unit in Chaves County, New Mexico.

Ambassador, as owner and operator of the Woolley State lease being the SE/4 SW/4 of Section 35, T-13-S, R-31-E, in Chaves County, New Mexico, is very desirous of having this lease included under your proposed unit operations. However, since we have only recently purchased the above lease and did not participate in calculation of the Unit participation formula, we feel that an error was made in the value assigned remaining primary production for this lease. Under such circumstances, we would like to withhold our lease from Unit operations until expiration of the six-month time period indicated in the unit agreement. After such, we would like to submit this lease for inclusion within the Unit under re-calculated or re-negotiated participation values.

Very truly yours,

AMBASSADOR OIL CORPORATION

Robert H. Vick
Manager of Engineering

RHV:jbm

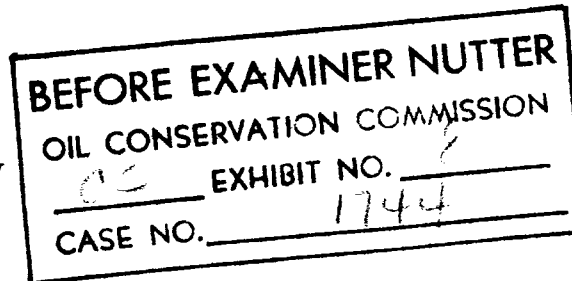
JOSEPH I. O'NEILL, JR.
OIL PROPERTIES

410 WEST OHIO
MIDLAND, TEXAS

April 24, 1959

TELEPHONE
MUTUAL 3-2771

Mr. E. E. Funk
Cities Service Oil Company
Cities Service Building
Bartlesville, Oklahoma



Re: Joseph I. O'Neill, Jr. Medlin Lease, Section 22,
Township 14 South, Range 31 East, Chaves
County, New Mexico

Dear Mr. Funk:

The above lease has one pumping well within the proposed area for the Drickey Queen Sand Unit Caprock Field, Chaves County, New Mexico. This well is our M. H. Medlin No. 1, located 660 feet from the north line and 1980 feet from the east line of Section 22.

At the time of the engineering committee's work on the above proposed unit, primary reserves were established on the basis of decline curves, and although this well had not commenced its decline, the average extrapolation was used in order to determine its primary reserves. We appreciate that there was no other approach than that used; however, since that time, which was approximately September, 1958, it has continued to produce its allowable and as you can see, the primary reserve factor attributed to this well was considerably in error.

We appreciate the need for obtaining signatures on this agreement and realize that it would be very difficult to change participation factors at this time; therefore, we elect to not join in the unit.

We are strongly in favor of the proposed water flood project and plan at this time to wait until the unit is formed and then approach the unit operators and ask that we be taken into the unit on a negotiated basis. In this way, we could attribute to this lease some realistic primary reserve figure which would be in fairness to both the unit and ourselves.

Mr. E. E. Funk


Page 2

April 24, 1959

We again wish to state that we are very much in favor of the unit and hope that the unit operators will view with favor our request for entrance into the unit after it has been formed.

Very truly yours,

JOSEPH I. O'NEILL, JR.

A handwritten signature in cursive script, appearing to read "E. T. Anderson", with a long horizontal flourish extending to the right.

E. T. Anderson

ETA/nb



PETROLEUM BUILDING

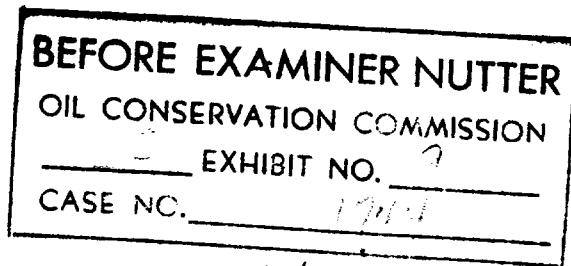
• ROSWELL, NEW MEXICO

• MAin 2-0456

January 16, 1959

BILL A. SHELTON
PRESIDENT

JESS L. WARREN
SECRETARY TREASURER



Cities Service Oil Company
Cities Service Building
Bartlesville, Oklahoma

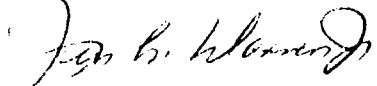
Attention: Mr. E. E. Funk,
Chief Secondary Recovery Engineer

Dear Mr. Funk:

Since Shelton-Warren Oil Company only owns 40 acres in the proposed Drickey Queen Sand Unit, we do not, at this time, wish to join this proposed water flood unit.

We want to take this opportunity to thank you for your consideration in this matter.

Very truly yours,


Jess L. Warren, Jr.

JLW/bh

cc - Neville G. Penrose, Inc.
1813 Fair Bldg.
Fort Worth, Texas
Attn: Mr. John McNaughton

Pure Oil Company
P. O. Box 671
Midland, Texas

Whaley Company, Inc.
Continental Life Bldg.
Fort Worth 2, Texas
Attn: Mr. W. D. Morris



WHALEY COMPANY, INCORPORATED

CONTINENTAL LIFE BUILDING
FORT WORTH 2, TEXAS

WILLIAM D. MORRIS
PRESIDENT

February 24, 1959

OIL AND GAS PRODUCTION
TEXAS AND NEW MEXICO

Cities Service Oil Company
Cities Service Building
Bartlesville, Oklahoma

Attention: E. E. Funk
Chief Secondary Recovery Engineer

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
EXHIBIT NO. 11
CASE NO. 1741

Re: Proposed Drickey Queen Sand Unit
Chaves County, New Mexico.

Gentlemen:

We acknowledge receipt of your letter of February 16, 1959 with enclosures regarding the inclusion of our New Mexico State Lease described as, SW/4, NE/4 Section 2, Twp-14-S, Rge-31-E, Chaves County, New Mexico, in the above proposed waterflood unit. Upon receipt of your letter, we have again reviewed this entire situation, but our decision is still the same as it was. We feel like there is a very special situation with reference to our well (New Mexico State Well No.2) and that it should have had a very considerable amount more of both primary and secondary recovery assigned to it than was assigned by your engineers.

We are fully aware of the formula you used in this connection and agree with you 100% that when it is applied to our lease taking into account bare statistics only you have assigned reserves to our forty acres in strict accordance with the formula.

However, due to operating difficulties of a mechanical nature, which we have previously called to your attention, we do not think the formula set out any ways nearly reflects the oil reserves under our forty acre tract, and which we will be able to produce even though no secondary recovery operations were carried on.

For your information, we have recently, at very considerable expense, moved a rotary rig over this well, washed over the tubing, which has been salted up almost since the well was completed, have partially cleaned the well out and placed on production. While it is too early to determine exact results, present indications are that we have helped the productive abilities of the well. With the rotary tools we were unable to keep the well cleaned out to bottom. In fact we were able to keep the well cleaned out within 28' of total depth only. We ran an electrical log on the well, but, of course, could get no nearer than 28' of its total depth. We plan shortly to move a cable tool rig in, clean the well out and in all likelihood sandfrac it again.

Due to the salted condition, the production on this well has been very erratic from day to day, but we do believe this remedial work will be quite helpful in stimulating production to some extent, just how much it is too early to say.

Letter to: Cities Service Oil Company

We are fully aware of the situation leaving us out of this unit, and we have stayed out of it not with any idea of trying to get the best of the unit operators in the area, but solely with the idea of getting the oil which we believe to be under our lease. Should sometime in the future the results of our operations and other engineering data change the position of the operator so as to allow us a greater primary and secondary recovery, we will give more careful consideration to participating in the unit if the other operators wish us to do so.

However, on the other hand should flooding operations be carried on by you and surrounding operators in a manner which tends to flood out our well and decrease our ultimate recovery, we will not hesitate at all to taking whatever legal action the equities of the situation seem in our opinion to justify. We make this statement not in any sense of the word in an attempt to force you to do something you do not wish to do, but as a plain and simple statement of the possible contingencies in this situation.

We note your statement that the State of New Mexico and the United States Geological Survey are most anxious to have us include our well in this unit. There is some doubt in our mind that this is or will be the true situation when all of the facts in connection with this matter are presented to them.

We are not taking this matter up with Mr. McNaughton of the firm of N. G. Penrose, Inc. in Fort Worth here, with whom we have the highest regard for or with anyone else, but if you wish to do so you are at perfect liberty or if you request us to do so, we will furnish them or any other participant in the unit you may wish to suggest a copy of this letter. We will also upon request be glad to furnish a copy of this letter to any representative of the State of New Mexico or the United States Geological Survey.

Let me assure you again of our personal esteem for you and your good company, but we believe the participating formula offered to us to include our lease is so far out of line that we have no option whatever but to decline to participate. This is one of the few cases either in Texas or New Mexico where we have taken such an attitude, but you may be quite sure that we have the courage of our convictions.

Yours very truly,

A handwritten signature in dark ink, appearing to read "William D. Morris". The signature is fluid and cursive, with a large, sweeping "M" and "W".

William D. Morris,
President

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION

EXHIBIT NO. _____
CASE NO. _____

~~Harry B. Antweil~~

OPERATOR
F. B. RIDGE
HOBBS, NEW MEXICO

August 14, 1959

Mr. Dickey

Text

Cities Service Oil Company
Bartlesville, Oklahoma

Attn: E. Funk

Dear Sir:

We are interested in the above captioned tract, specifically the NE/4 NE/4, SE/4 NE/4 and SW/4 NE/4, Range 11 East, Township 11 North, Range 11 East.

We are interested in joining your flood unit, but it is impossible for us to sign the agreement due to the making of other parties who have overriding leasehold and other leaseholds in the area being considered for flood programs. These parties must be compensated by the effective date of the agreement. We can assure you we are interested in joining your arrangement and will be made very soon where it is possible.

We would like very much to include the above described tracts in your area so they may be tentatively included in a subsequent matter of form.

Thanking you for this matter, we are

Sincerely,

H. B. ANTWEIL, Oil Operator

ILLEGIBLE

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION

EXHIBIT NO. 17

CASE NO. 1744

REVISED
EXHIBIT "B"
DRICKY JUDEN SAND UNIT
CHAVES COUNTY, NEW MEXICO

TRACTS QUALIFYING FOR PARTICIPATION UNDER UNIT AGREEMENT AS OF AUGUST 19, 1959

| Tract No. | Description of Land | No. of Acres | No. of Wells | Lease and/or Assignment Number | Basic Royalty | Lessee of Record | Overriding Royalty Owner and Amount | Working Interest Owner and Amount | Percent of Participation in Unit | | | |
|-----------|--|--------------|--------------|--------------------------------|---------------|------------------|--|--|----------------------------------|-----------|------------------------------|---------|
| | | | | | | | | | Primary | Secondary | Remaining Primary By Barrels | |
| 1 | SW/4 NW/4 & SE/4 & E/2 SW/4 Sec. 15 T. 14S, R. 31E. | 280 | 7 | LC-060811 | 12.5% | George Nixon | Earnest A. Hanson John A. Barnett Union Oil Co. of California *2.50% *2.50% *2.74% | Neville G. Penrose, Inc. Broseco Corp. John B. Rich 66.67% 31.67% 1.66% | 4.13970 | 4.72364 | 37,910 | |
| 2 | W/2 SW/4 Sec. 15, T. 14S, R. 31E. | 80 | 2 | LC-060811 | 12.5% | George Nixon | Earnest A. Hanson John A. Barnett *2.50% *2.50% | Neville G. Penrose, Inc. Broseco Corp. John R. Rich J. M. Leonard Cactus Drilling Co. Richard S. Anderson, Inc. 36.46% 17.32% .91% 21.86% 12.50% 10.93% | 4.87866 | 2.05402 | 44,679 | |
| 3 | SE/4 Sec. 10 T. 14S, R. 31E | 160 | 4 | LC-060812-A | 12.5% | Gulf Oil Corp. | Virgil O. Hopp etux 1.67% Olen F. Featherstone 1.67% Elizabeth W. Chaney .83% Ruble C. Bell .83% | Gulf Oil Corp. | 100.00% | 2.96331 | 4.05064 | 27,137 |
| 6 | All Sec. 3; N/2 Sec. 10, T. 14S, R. 31E. | 960.96 | 24 | LC-068474 | 12.5% | Frank A. Sauer | None | Cities Service Oil Co. | 100.00% | 21.74057 | 26.85310 | 199,093 |
| 7 | N/2 NW/4 & SW/4 NW/4 Sec. 1, T. 14S, R. 31E. | 120.04 | 1 | LC-070336 | 12.5% | Ed Shockley | Ed Shockley Et Ux .30% Olen F. Featherstone 1.35% Ernest H. Peterson 1.00% Elizabeth W. Chaney .67% Ruble C. Bell .66% Ada Moran Mills .50% | Phillips Pet. Company | 100.00% | 0.03440 | 0.42628 | 315 |

REVISED
EXHIBIT "B"
DRICKY GREEN SAND UNIT
CHAVES COUNTY, NEW MEXICO

TRACTS QUALIFYING FOR PARTICIPATION UNDER UNIT AGREEMENT AS OF AUGUST 19, 1969

| Tract No. | Description of Land | No. of Acres | No. of Wells | Lease and/or Assignment Number | Basic Royalty | Lessee of Record | Overriding Royalty Owner and Amount | Working Interest Owner and Amount | Percent of Participation in Unit | | Remaining Primary By Barrels | |
|-----------|---|--------------|--------------|--------------------------------|---------------|----------------------------|---|--|-------------------------------------|-----------|------------------------------|--------|
| | | | | | | | | | Primary | Secondary | | |
| 8 | NW/4 NW/4 Sec. 22 T. 14S, R. 31E. | 40 | 1 | LC-070336 | 12.5% | Ed Shockley | Ed Shockley, et ux Olen F. Featherstone Ernest H. Peterson Elizabeth J. Chaney Ruble C. Bell Ada Moran Mills .30% 1.35% 1.00% .67% .68% .50% | Phillips Pet. Co. | 100.00% | 2.65286 | 1.33590 | 24,294 |
| 9 | NW/4 NW/4 & S/2 NW/4 Sec. 22, T. 14S, R. 31E. | 120 | 2 | LC-070336-A | 12.5% | Ed Shockley | Ed Shockley Et ux Olen F. Featherstone Ada Moran Mills Ernest H. Peterson Elizabeth W. Chaney Ruble C. Bell .30% 1.35% .50% 1.00% .67% .68% .50% | K. S. Adams, Jr. | 100.00% | 1.26986 | 1.13169 | 11,629 |
| 10 | S/4 Sec. 10, T. 14S, R. 31E. | 160 | 4 | LC-070337 | 12.5% | Virgil O. Hopp | Virgil O. Hopp Et ux Ernest H. Peterson Olen F. Featherstone Ruble C. Bell Elizabeth J. Chaney Ada Moran Mills Phillips Pet. Co. 1.00% 1.00% 1.00% .50% .50% .50% .50% | Neville G. Penrose, Inc. Broseco Corp. John B. Rich Richard S. Anderson, Inc. | 58.33% 27.71% 1.46% 12.50% | 6.36536 | 5.11500 | 58,475 |
| 11 | S/2 E/2 Sec. 11 T. 14S, R. 31E. | 160 | 4 | LC-072006 | 12.5% | American Republic Co. | Sinclair Oil & Gas Company | Neville G. Penrose, Inc. Broseco Corp. John B. Rich | 50.00% 47.50% 2.50% | 3.27005 | 2.62730 | 29,946 |
| 12 | E/2 NW/4 & S/4 NW/4 Sec. 33, T. 13S, R. 31E. | 120 | 1 | NM-02419 | 12.5% | Virginia Burk Ballard | None | Cities Service Oil Co. | 100.00% | 0.03560 | 0.37026 | 326 |
| 13 | SE/4 Sec. 33; SW/4 Sec. 34, T. 13S, R. 31E | 320 | 2 | NM-03927 | 12.5% | Cities Service Oil Company | None | Cities Service Oil Co. | 100.00% | 5.80836 | 7.30241 | 53,191 |

REVISED
EXHIBIT "B"
DROKEY JOSEPH SAND UNIT
CHAVES COUNTY, NEW MEXICO

TRACTS QUALIFYING FOR PARTICIPATION UNDER UNIT AGREEMENT AS OF AUGUST 19, 1969

| Tract No. | Description of Land | No. of Acres | No. of Wells | Lease and/or Assignment Number | Basic Royalty | Lessee of Record | Overriding Royalty Owner and Amount | Working Interest Owner and Amount | Percent of Participation | | | |
|-------------------|---|--------------|--------------|--------------------------------|---------------|---------------------------|---|---|--------------------------|-----------|------------------------------|---------|
| | | | | | | | | | Primary | Secondary | Remaining Primary By Barrels | |
| 14 | E/2 SW/4 & SW/4 Sec. 33, T. 13S, R. 31E | 120 | 1 | NM-04246 | 12.5% | Kerr-McGee Oil Ind., Inc. | Lillian T. Hinkle 2.50% | Kerr-McGee Oil Ind., Inc. | 100.00% | 1.05922 | 0.93344 | 9,700 |
| 12 Federal Tracts | | 2641.00 | 59 | | | | | | | 34.23815 | 56.92358 | 498,695 |
| 15 | E/2 SE/4 & SW/4 Sec. 35, T. 13S, R. 31E | 120 | 3 | B-6822 | 12.5% | Earl G. Levick | F. J. Herms, Jr. 1.50% Lillis B. Morris .75% R. Berkenkamp Est. .75% D. J. Spowart .75% Earl G. Levick est. 1.25% | K. S. Adams, Jr. | 100.00% | 3.20657 | 2.91667 | 29,353 |
| 16 | SW/4 SW/4 Sec. 35, T. 13S, R. 31E | 40 | 1 | B-6822-4 | 12.5% | Earl G. Levick | Earl G. Levick est. .50% Mrs. Ruth E. Keltzman 2.25% Henry Garland 2.25% | Neville G. Penrose, Inc. Broseco Corp. John B. Rich Richard S. Anderson, Inc. | 58.34% | 0.19765 | 0.76795 | 1,610 |
| 17 | SW/4 NE/4 Sec. 16, T. 14S, R. 31E. | 40 | 1 | B-6828-39 | 12.5% | Gilbert M Platt | Frank & Margaret M. Gray 5.00% | Neville G. Penrose, Inc. Richard S. Anderson, Inc. John B. Rich | 43.75% | 0.84781 | 1.02751 | 7,764 |
| 18 | NE/4 SE/4 Sec. 16 T. 14S, R. 31E. | 40 | 1 | B-10417 | 12.5% | Intercoast Pet. Corp. | Sunset International Per. Corp. 10.94% | M. E. Pittman | 100.00% | 1.61515 | 1.05722 | 14,791 |
| 19 | NE/4 SW/4 Sec. 2 T. 14S, R. 31E | 40 | 1 | B-10419 | 12.5% | Meter Supply Co. | Meter Supply Co. *6.25% | Geo. W. Baker Roswell Securities Co. Late Oil Company E. L. Norton Est. Richard S. Anderson, Inc. | 25.00% | 2.87693 | 1.37760 | 26,346 |

REMOVED
EXHIBIT "B"
DRICKY NEEN SAND UNIT
HAWKS COUNTRY, NEW MEXICO

TRACTS QUALIFYING FOR PARTICIPATION UNDER OIL AND GAS AGREEMENT AS OF AUGUST 19, 1959

| Tract No. | Description of Land | No. of Acres | No. of Wells | Lease and/or Assignment Number | Basic Royalty | Lessee of Record | Overriding Royalty Owner and Amount | Working Interest Owner and Amount | Percent of Participation in Unit | | Remaining Primary By Barrels |
|-----------|---|--------------|--------------|--------------------------------|---------------|-----------------------|---|--|----------------------------------|-----------|------------------------------|
| | | | | | | | | | Primary | Secondary | |
| 20 | N1/4 SW/4 Sec. 16 T. 14S, R. 31E. | 40 | 1 | B-10419 | 12.5% | Bernice R. Platt | William H. COLL Ernest A. Hanson John A. Barnett Union Oil Co. of Calif. 4.38% .94% .94% 2.73% | Neville G. Penrose, Inc. Broseco Corp. John B. Rich J. L. Leonard Cactus Drilling Co. Richard S. Anderson, Inc. 36.46% 17.32% .91% 21.89% 12.50% 10.93% | 0.39862 | 0.51258 | 3,568 |
| 21 | SE/4 NE/4 Sec. 2 T. 14S, R. 31E. | 40 | 1 | B-10420 | 12.5% | William & Vada Spurck | William & Vada Spurck 6.25% | Lewis & Mavis H. (95% of 1% of Gordon 8/8 W.I.) Dorothy Powell White & Jack White (95% of .041900 of 8/8 W.I.) Geror Oil Corp. .95% .04% 99.01% | 0.03276 | 0.17271 | 300 |
| 22 | SW/4 NE/4 Sec. 16 T. 14S, R. 31E. | 40 | 1 | B-10420 | 12.5% | William & Vada Spurck | Sinclair Oil & Gas Co. 3.13% | Cities Service Oil Co. 100.00% | 0.94303 | 0.05625 | 8,636 |
| 23 | SE/4 NE/4 & SE/4 SW/4 Sec. 16, T. 14S, R. 31E. | 80 | 2 | B-10420 | 12.5% | William & Vada Spurck | Vada Spurck 6.25% | Lewis & Mavis H. (95% of 1% of Gordon 8/8 W.I.) Dorothy Powell White & Jack White (95% of .041900 of 8/8 W.I.) Geror Oil Corp. .95% .04% 99.01% | 1.24158 | 1.54299 | 11,370 |
| 24 | SW NE/4 Sec. 16, T. 14S, R. 31E. | 80 | 2 | B-10420-112 | 12.5% | William Spurck, et ux | William Spurck, et ux Arthur Weirather 4.00% 1.00% | Neville G. Penrose, Inc. Broseco Corp. John B. Rich J. L. Leonard Cactus Drilling Co. Richard S. Anderson, Inc. 36.46% 17.32% .91% 21.89% 12.50% 10.93% | 1.84708 | 1.52137 | 16,915 |
| 25 | SW/4 SE/4 Sec. 16, T. 14S, R. 31E. | 40 | 1 | B-10420-134 | 12.5% | William Spurck et ux | William Spurck, et ux Arthur Weirather 4.00% 1.00% | Neville G. Penrose, Inc. Broseco Corp. John B. Rich Richard S. Anderson, Inc. 36.46% 17.32% 1.46% 12.50% | 0.33163 | 0.62543 | 3,037 |

REVISED
EXHIBIT "B"
RICHEY JOEN SAND UNIT
CHAVES COUNTY, NEW MEXICO

TRACTS ALLEVIANT FOR PARTICIPATION UNDER UNIT AGREEMENT AS OF AUGUST 19, 1959

| Tract No. | Description of Land | No. of Acres | No. of Wells | Lease and/or Assignment Number | Basic Royalty | Lessee of Record | Overriding Royalty Owner and Amount | Working Interest Owner and Amount | Percent of Participation in Unit | | Remaining Primary By Barrels | |
|-----------|--------------------------------------|--------------|--------------|--------------------------------|---------------|------------------------------|-------------------------------------|--|--|-----------|------------------------------|--------|
| | | | | | | | | | Primary | Secondary | | |
| 27 | SW/4 NW/4 Sec. 16 T. 14S, R. 31E. | 40 | 1 | E-478 | 12.5% | Texas Pacific Coal & Oil Co. | None | Texas Pacific Coal & Oil Co. | 100.00% | 0.53618 | 0.87029 | 5,826 |
| 29 | SE/4 Sec. 2, T. 14S, R. 31E. | 160 | 2 | E-1380 | 12.5% | Texas Pacific Coal & Oil Co. | None | Texas Pacific Coal & Oil Co. | 100.00% | 0.23795 | 0.78157 | 2,179 |
| 30 | S/4 SE/4 Sec. 16 T. 14S, R. 31E | 40 | 1 | E-1467 | 12.5% | Texas Pacific Coal & Oil Co. | None | Texas Pacific Coal & Oil Co. | 100.00% | 0.32148 | 0.58260 | 2,944 |
| 31 | S/4 SW/4 Sec. 35, T. 13S, R. 31E | 40 | 1 | E-2635 | 12.5% | L. B. Hodge | None | L. B. Hodge Featherstone Corp. | 50.00% | 3.26568 | 1.32351 | 29,906 |
| 32 | NW/4 NE/4 Sec. 2 T. 14S, R. 31E | 40.13 | 1 | E-2855 | 12.5% | Gulf Oil Corp. | Gulf Oil Corp. | K. S. Adams, Jr. Mineral Projects, Inc. | 25.00% | 3.21621 | 0.84040 | 29,453 |
| 33 | NE/4 SW/4 Sec. 16 T. 14S, R. 31E. | 40 | 1 | E-2858 | 12.5% | Union Oil Co. of Calif. | Union Oil Co. of Calif. | Neville G. Fenrose, Inc. Broseco Corp. John B. Rich J. W. Leonard Cactus Drilling Co. Richard S. Anderson, Inc. | 36.46% 17.32% .91% 21.89% 12.50% 10.93% | 1.30492 | 0.95451 | 11,950 |
| 34 | NW/4 NW/4 Sec. 16 T. 14S, R. 31E. | 40 | 1 | E-4810 | 12.5% | Pure Oil Co. | Ralph Nix | Pure Oil Co. | 100.00% | 2.08922 | 1.19013 | 19,224 |

REVISED
EXHIBIT "B"
DRUCKER JUEEN SAND UNIT
CHAVES COUNTY, NEW MEXICO

TRACTS QUALIFYING FOR PARTICIPATION UNDER UNIT AGREEMENT AS OF AUGUST 19, 1959

| Tract No. | Description of Land | No. of Acres | No. of Wells | Lease and/or Assignment Number | Basic Royalty | Lessee of Record | Overriding Royalty Owner and Amount | Working Interest Owner and Amount | Percent of Participation | | | Remaining Primary By Barrels |
|-----------------|---|-----------------|-----------------|--------------------------------------|------------------|------------------------|--|---|---|---------|-----------|------------------------------------|
| | | | | | | | | | Primary | In Unit | Secondary | |
| 36 | SE/4 SE/4 Sec. 16 T. 14S, R. 31E. | 40 | 1 | E-5665 | 12.5% | Gulf Oil Corp. | None | Gulf Oil Corp. | 100.00% | 1.39927 | 0.82533 | 12,614 |
| 38 | NE/4 SW/4 & NW/4 SE/4 Sec. 35, T. 13S R. 31E; W/2 W/2 Sec. 2, T. 14S, R. 31E. | 240.27 | 6 | E-6401 | 12.5% | Cities Service Oil Co. | None | Cities Service Oil Co. | 100.00% | 2.07378 | 5.89353 | 18,991 |
| 40 | SE/4 NW/4 & SE/4 SW/4 Sec. 2, T. 14S, R. 31E | 80 | 2 | E-7661 | 12.5% | J. M. Zachary | None | Neville G. Penrose, Inc. Broseco Corp. John B. Rich J. M. Zachary George M. Slaughter, III, et ux Adeline Marks, Ind. & as Adm. of Est. Tom V. Marks Richard S. Anderson, Inc. | 29.16% 13.85% •73% 21.88% 16.41% 5.47% | 4.69453 | 1.35614 | 42,991 |
| 41 | NE/4 NW/4 Sec. 16 T. 14S, R. 31E. | 40 | 1 | E-7662 | 12.5% | Gulf Oil Corp. | None | Gulf Oil Corp. | 100.00% | 0.63040 | 0.89079 | 5,773 |
| 42 | NE/4 NW/4 Sec. 2, T. 14S, R. 31E. | 40.19 | 1 | E-8333-1 | 12.5% | J. M. Zachary | None | Neville G. Penrose, Inc. Broseco Corp. John B. Rich Richard S. Anderson, Inc. | 58.34% 27.70% 1.46% 12.50% | 2.61049 | 1.80437 | 23,906 |
| 45 | SW/4 Sec. 11, T. 14S, R. 31E. | 160 | 4 | Advanced Land | 12.5% | Gulf Oil Corp. | None | Gulf Oil Corp. | 100.00% | 2.41925 | 2.74359 | 22,155 |
| 23 State Tracts | | 1440.59 | 34 | | | | | | 36.02192 | | 30.13045 | 329,677 |

REVISED
EXHIBIT "B"
DRICKER TRACT UNIT
SHAWES COUNTY, NEW MEXICO

TRACTS UNITING FOR PARTICIPATION UNDER UNIT AGREEMENT AS OF AUGUST 19, 1969

| Tract No. | Description of Land | No. of Acres | No. of Wells | Lease and/or Assignment Number | | Basic Royalty | Lessee of Record | Overriding Royalty Owner and Amount | Working Interest Owner and Amount | Percent of Participation in Unit | | Remaining Primary By Barrels |
|-----------|---|--------------|--------------|--------------------------------|--|---------------|-------------------------|-------------------------------------|--|--|--------------------|------------------------------|
| | | | | | | | | | | Primary | Secondary | |
| 47 | NW/4 Sec. 11, T. 14S, R. 31E. | 160 | 4 | Patented Land | | 12.5% | Half Oil Corp. | Half Oil Corp. | | 5.47% | | |
| | | | | | | | | | Neville G. Penrose, Inc. Broseco Corp. John B. Rich Adeline Marks, Ind. & as Adm of Est. of Tom V. Marks Richard S. Anderson, Inc. | 41.01% 39.99% 1.03% 5.47% 12.50% | 4.58010 4.38800 | 41,943 |
| 48 | NW/4 NW/4 & S/2 N/4 Sec. 14; N/2 NW/4 & NW/4 N/4 & SE/4 NW/4 Sec. 15, T. 14S, R. 31E. | 280 | 5 | Patented Land | | 12.5% | Union Oil Co. of Calif. | Union Oil Co. of Calif. | | 5.47% | | |
| | | | | | | | | | Neville G. Penrose, Inc. Broseco Corp. John B. Rich J. N. Leonard Cactus Drilling Co. Richard S. Anderson, Inc. | 36.46% 17.32% .91% 21.88% 12.50% 10.93% | 0.45328 2.79818 | 4,151 |
| 49 | NW/4 NW/4 Sec. 15 T. 14S, R. 31E. | 40 | 1 | Patented Land | | 12.5% | Union Oil Co. of Calif. | Union Oil Co. of Calif. | | *5.47% | | |
| | | | | | | | | | Neville G. Penrose, Inc. Cactus Drilling Co. Broseco Corp. John B. Rich Richard S. Anderson, Inc. | 43.75% 21.88% 20.78% 1.09% 12.50% | 1.06010 1.18869 | 9,708 |
| 50 | 1/2 NW/4 Sec. 15 T. 14S, R. 31E. | 80 | 2 | Patented Land | | 12.5% | Union Oil Co. of Calif. | Union Oil Co. of Calif. | | *5.47% | | |
| | | | | | | | | | Neville G. Penrose, Inc. Broseco Corp. John B. Rich | 66.67% 31.67% 1.66% | 0.46354 0.32497 | 4,245 |
| 51 | NW/4 NW/4 & NW/4 NW/4 & S/2 NW/4 & SW/4 NW/4 Sec. 15, T. 14S, R. 31E. | 200 | 2 | Patented Land | | 12.5% | Union Oil Co. of Calif. | None | | | | |
| | | | | | | | | | Union Oil Co. of Calif. | 100.00% | 0.76363 0.30254 | 6,993 |

* 5.47% scale (overriding royalty interests shown on minimum interest basis.)

In reply refer to:
Unit Division

August 20, 1959

Cities Service Oil Company
Cities Service Building
Bartlesville, Oklahoma

Re: Drickey Queen Sand
Unit Agreement
Chaves County, New Mexico

Gentlemen:

The Commissioner of Public Lands has approved the Drickey Queen Sand Unit Agreement, Chaves County, New Mexico as of August 20, 1959.

We are handing to Mr. M. S. Douglass, nine Certificates of approval for this unit also our Official Receipt No. 1797 F in the amount of \$70.00 which covers the filing fee.

Very truly yours,
MURRAY E. MORGAN
Commissioner of Public Lands

BY:
Ted Bilberry, Supervisor
Oil and Gas Division

MEM/MMR/t
cc:

OCC- Santa Fe
USGS- Roswell

NEVILLE G. PENROSE, INC.

FAIR BUILDING
FORT WORTH 2, TEXAS

July 22, 1959

Cities Service Oil Company
Cities Service Building
Bartlesville, Oklahoma

Attention: Mr. E. E. Funk

Re: Drickey Queen Waterflood Unit, Chaves County, New Mexico.

Gentlemen:

We enclose photostatic copy of letter received from the attorneys for the Estate of W. L. Kietzman. As you will note from this letter, the children plan to quit claim their interest in Chaves County minerals to Mrs. Kietzman and she will execute the Unit Agreement and furnish us with certified copies of the quit claim deeds.

The above is furnished to you in order that you might stay abreast of our progress in this matter.

Very truly yours,

NEVILLE G. PENROSE, INC.

By: 
R. T. Churchill

RTC/ag
encl.

LAW OFFICES OF
PILLSBURY, MADISON & SUTRO
STANDARD OIL BUILDING
SAN FRANCISCO 4
TELEPHONE GARFIELD 4-6132

July 17, 1959.

Estate of Walter L. Kietzman,
Deceased - Oil and Gas Leases

Neville G. Penrose, Inc.,
Attention of Land Department,
146 Allen Building,
Midland, Texas.

Gentlemen:

I regret the delay in not returning to you the unit agreement for the Dricky Queen Water Flood Unit executed by Mrs. Kietzman and her children. In order to simplify the matter, the three children are going to quit claim any interest they may have in the interest to Mrs. Kietzman. At the time I return the unit agreement to you executed by Mrs. Kietzman, I will furnish you with a certified copy of each quit claim deed as recorded in Chaves County.

Yours very truly,


Fred A. Johnston
for

Pillsbury, Madison & Sutro

cc: Mrs. Ruth E. Kietzman

AMENDMENT TO THE
UNIT AGREEMENT
FOR THE DEVELOPMENT AND OPERATION OF THE
DRICKEY QUEEN SAND UNIT
CAPROCK FIELD
CHAVES COUNTY, NEW MEXICO

WHEREAS, the Drickey Queen Sand Unit Agreement embraces the following described land in Chaves County, New Mexico to-wit:

T. 13 S., R. 31 E., NMPM

Sec. 33: E/2NE/4, SW/4NE/4, SE/4, S/2SW/4, NE/4SE/4
34: A11
35: A11

T. 14 S., R. 31 E., NMPM

Sec. 1: Lots 3, 4, S4/4NW/4
2: Lots 1, 2, 3, 4, S/2N/2, S/2
3: Lots 1, 2, 3, 4, S/2N/2, S/2
4: Lots 1, 2, 3, 4, N/2S/2, SE/4, S/2SW/4
5: A11
10: A11
11: N/2, N/2NE/4, SE/4NE/4, S/2SE/4, SE/4SE/4
14: NE/4NE/4, NE/4, N/2SW/4, SE/4SE/4
15: A11
16: N/2, SE/4, S/2SW/4, NW/4SW/4
22: N/2, NE/4SE/4

and,

WHEREAS, the Working Interest parties to said Unit Agreement desire to enter into an Amendment thereto providing for the deletion of a part of said land:

NOW THEREFORE, in consideration of the mutual interests of and advantages to the parties hereto, it is agreed that said Unit Agreement is amended so as to delete therefrom, the following described land:

T. 13 S., R., 31 E., NMPM

Sec. 34: N/2
35: N/2NW/4

This Amendment shall be subject to the approval of the Commissioner, the Commission, and the Director (as the same are defined in said Unit Agreement) and, upon such approvals, shall be effective upon the date of such approval by the Director or the effective date of said Unit Agreement, whichever be the earlier. Executed in multi-counterparts the date indicated herein below.

Date

Signature of
Working Interest Owner

Card
already.

OK
A 15/31

3. That the Duckey Queen Land Unit Agreement Plan shall be, and hereby is, approved in principle as a proper conservation measure; provided, however, that notwithstanding any of the provisions contained in said unit agreement, this approval shall not be considered as waiving or relinquishing in any manner any right, duties or obligations which are now, or may hereafter, be vested in the New Mexico Oil Conservation Commission by law relative to the supervision and control of

107.19
CITIES SERVICE OIL
NO. 1744
EN 13 57

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
CITIES SERVICE OIL COMPANY FOR THE
APPROVAL OF THE DRICKEY QUEEN SAND
UNIT AGREEMENT EMBRACING 5,241.59
ACRES IN TOWNSHIPS 13 AND 14 SOUTH,
RANGE 31 EAST, CHAVES COUNTY, NEW
MEXICO.

No. 1744

APPLICATION

Comes now Cities Service Oil Company and applies to the Oil Conservation Commission of New Mexico for approval of a unit agreement entitled "Unit Agreement, Drickey Queen Sand Unit, Caprock Field, Chaves County, New Mexico," the said agreement having been entered into between the applicant herein as the Unit Operator and working interest owners and royalty owners as have, or may hereafter, subscribe to or consent to the agreement, and in support thereof would show:

1. The Drickey Queen Sand Unit Area embraces the following described lands located in Chaves County, New Mexico, to-wit:

Township 13 South, Range 31 East

Sec. 33: $E\frac{1}{2}NE\frac{1}{4}$, $SW\frac{1}{4}NE\frac{1}{4}$, $SE\frac{1}{4}$,
 $S\frac{1}{2}SW\frac{1}{4}$, $NE\frac{1}{4}SW\frac{1}{4}$
Sec. 34: $SW\frac{1}{4}$
Sec. 35: $S\frac{1}{2}$

Township 14 South, Range 31 East

Sec. 1: Lots 3 and 4 and $SW\frac{1}{4}NW\frac{1}{4}$
Sec. 2: Lots 2, 3, and 4, $S\frac{1}{2}NW\frac{1}{4}$,
 $SE\frac{1}{4}NE\frac{1}{4}$, $S\frac{1}{2}$
Sec. 3: Lots 1, 2, 3, 4, and $S\frac{1}{2}N\frac{1}{2}$, $S\frac{1}{2}$
Sec. 10: All
Sec. 11: $W\frac{1}{2}$, $N\frac{1}{2}NE\frac{1}{4}$, $SW\frac{1}{4}NE\frac{1}{4}$, $W\frac{1}{2}SE\frac{1}{4}$, $SE\frac{1}{4}SE\frac{1}{4}$

Sec. 14: $NW\frac{1}{4}NE\frac{1}{4}$, $NW\frac{1}{4}$, $N\frac{1}{2}SW\frac{1}{4}$, $SW\frac{1}{4}SW\frac{1}{4}$
Sec. 15: All
Sec. 16: $N\frac{1}{2}$, $SE\frac{1}{4}$, $E\frac{1}{2}SW\frac{1}{4}$, $NW\frac{1}{4}SW\frac{1}{4}$
Sec. 22: $E\frac{1}{2}NE\frac{1}{4}$, $NW\frac{1}{4}$, $NW\frac{1}{4}SE\frac{1}{4}$

Containing 5,241.59 acres more or less,
situated in Chaves County, New Mexico.

2. Attached hereto is an unexecuted copy of the Unit Agreement, together with a copy of the Unit Operating Agreement and an amendment to said Unit Operating Agreement. The requisite number of signed copies, or conformed copies thereof, will be submitted for approval, and a complete and signed copy of the Unit Agreement will be filed in the office of the Commissioner of Public Lands of the State of New Mexico.

3. Attached hereto is a plat showing lands proposed to be embraced in the unit, showing the ownership of the various lands. The applicant is continuing efforts to obtain commitments to the Unit Agreement from those owners of interest who have not yet joined and a full showing of the commitments will be made at the time of the hearing of this application.

4. The unit agreement makes express provision that additional parties may join and subject their interest to the said agreement after its final approval.

5. The unit agreement affects only the Queen Sand Formation, and Cities Service Oil Company, Bartlesville, Oklahoma, is designated as Unit Operator for the operation, development and production of unitized substances from said unit.

6. All of the lands included in the unit are reasonably proved to be productive, and the object and purpose of the agreement is to formulate and to put into effect a secondary recovery project in order to effect the greatest recovery of oil or gas, or both, prevent waste, and conserve natural resources.

7. Approval of the unit agreement is in the interests of conservation, will result in the prevention of waste, protection of correlative rights, and will result in a greater ultimate recovery of oil from the lands included in the agreement. The State of New Mexico, the United States of America, and all other royalty owners on lands included in the unit will receive their fair share of the recoverable oil and gas in place under the lands in the proposed unit.

WHEREFORE, applicant respectfully requests that this matter be set for hearing at the earliest possible date, and that after notice and hearing the Commission enter its order approving the Unit Agreement.

Respectfully submitted,
CITIES SERVICE OIL COMPANY

By Jason W. Kellahin
KELLAHIN AND FOX
Attorneys for Applicant

P. O. Box 1713
Santa Fe, New Mexico