

*State of New Mexico*  
*Commissioner of Public Lands*

#3004

W. R. Humphries  
COMMISSIONER

**Advisory Board**

George Clark  
Chairman

Kristin Conniff  
Vice Chairman

Melvin Cordova  
Joe Kelly

Robert Portillos

Nancy Lynch Vigil

Rex Wilson

April 23, 1990

La Rue and Muncy  
P.O. Box 470  
Artesia, New Mexico 88210

ATTN: Tracy Smith

RE: Pearsall Queen Sand Unit  
1990 Plan of Development

Gentlemen:

The Commissioner of Public Lands has this date approved the 1990 Plan of Development for the Pearsall Queen Sand Unit. Our approval is subject to like approval by all other appropriate agencies.

The possibility of drainage by wells outside of the Unit Area and the need for further development of the Unit may exist. You will be contacted at a later date regarding these possibilities.

Enclosed is an approved copy of the 1990 Plan of Development for your files. If we may be of further help, please do not hesitate to contact this office at (505) 827-5746.

Very truly yours,

W.R. HUMPHRIES,  
COMMISSIONER OF PUBLIC LANDS

BY:

*Floyd O. Prando*

FLOYD O. PRANDO, Director  
Oil and Gas Division  
(505) 827-5746

cc: OCD - Santa Fe, New Mexico  
BLM  
Unit Correspondence File  
Unit P.O.D. File

WRH/FOP/SMH

GOVERNOR  
JACK M. CAMPBELL  
CHAIRMAN

State of New Mexico  
**Oil Conservation Commission**



P. O. BOX 871  
SANTA FE

LAND COMMISSIONER  
E. B. JOHNNY WALKER  
MEMBER

STATE GEOLOGIST  
A. L. PORTER, JR.  
SECRETARY - DIRECTOR

March 18, 1964

Mr. James T. Jennings  
Attorney at Law  
Post Office Box 1180  
Roswell, New Mexico

Re: Case No. 3004  
Order No. R-2669  
Applicant:

Ambassador Oil Corporation

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Very truly yours,

A. L. PORTER, Jr.  
Secretary-Director

ir/

Carbon copy of order also sent to:

Hobbs OCC       X      

Artesia OCC           

Astec OCC           

OTHER Mr. Jason Kellahin

Drawer 1857  
Roswell, New Mexico 88201

MAIN OFFICE 000

64 DEC 3 PM 11

December 2, 1964

Ambassador Oil Corporation  
3109 Winthrop  
P. O. Box 9338  
Fort Worth 7, Texas

Attention: Mr. E. A. Siley

Gentlemen:

Your "plan of development" and "cooperative water flood agreement" for secondary recovery operations, Pearsall Queen Sand unit agreement, Lea County, New Mexico, as submitted by your letters of August 26, and November 24, 1964, are hereby approved, subject to like approval by the appropriate officials of the State of New Mexico.

One approved copy each of the plan and agreement are enclosed.

Sincerely yours,

(ORIG. SGD.) JOHN A. ANDERSON

JOHN A. ANDERSON  
Regional Oil and Gas Supervisor

cc:

Washington (w/cy app. plan of oper.)  
Hobbs (w/cy each of app. plan and agree.)  
- NMOCC-Santa Fe (ltr. only)  
Comm. of Pub. Lands-Santa Fe (ltr. only)

MAIN OFFICE OCC

'65 AUG 17 AM 8 3

August 17, 1965

Anadarko Production Company  
Post Office Box 9317  
Fort Worth, Texas

Att: E. A. Riley

In RE: Pearsall Queen Sand Unit  
Lea County, New Mexico ✓

3004

Grayburg-Jackson Unit  
(R 2323) ✓

2634

Eddy County, New Mexico

Langlie-Mattix Penrose  
Sand Unit - Lea County,  
New Mexico

2954

Gentlemen:

This office has received, by your letter of August 10, 1965, photostatic copies of executed ballots by working interest owners in the Pearsall Queen Sand Unit, Grayburg-Jackson Unit, and the Langlie-Mattix Penrose Sand Unit, selecting Anadarko Production Company as successor unit operator.

These ballots were subject to acquisition by Anadarko of Ambassador Oil Corporation's interests in these Units, and although Anadarko has made no statement nor furnished proof concerning such acquisition, we have ascertained from our records that Anadarko, by assignment, has acquired Ambassador's interests in the State of New Mexico leases which are included in these Units. We have no record of such acquisition concerning federal lands or fee lands.

Drawer 1857  
Roswell, New Mexico 88201

January 12, 1965

Ambassador Oil Corporation  
3109 Winthrop  
P. O. Box 9036  
Fort Worth 7, Texas

Attention: Mr. E. A. Riley

Gentlemen:

Your letter of December 9 transmits three copies each of a revised Exhibit C, revised pages 3 and 6 of Exhibit B, and a list showing a change in well numbers, Pearsall Queen Sand unit, Lea County, New Mexico, No. 14-08-0001-8698. Exhibit C, revised to show the participation factors for the qualified tracts effective as of November 1, 1964, the effective date of the unit agreement, is approved pursuant to Section 13 of the unit agreement, subject to like approval by the Commissioner of Public Lands of the State of New Mexico. Page 3 of Exhibit B, revised to omit noncommitted tract No. 5, is herewith returned. Noncommitted tract No. 5 remains in the unit area although it receives no participation and should be listed on Exhibit B. Accordingly, no revision of page 3, Exhibit B, is necessary.

Copies of the revisions are being distributed to the appropriate Federal offices to be filed with the official case records. One approved copy of Exhibit C is enclosed.

Sincerely yours,

(ORIG. SGD.) JOHN A. ANDERSON

JOHN A. ANDERSON  
Regional Oil & Gas Supervisor

cc:

Washington (w/cy of revisions)  
Hobbs (w/cy of revisions)  
BLM - Santa Fe (w/cy of revisions)  
Com. of Pub. Lands - Santa Fe (ltr. only)  
N.M.O.C.C. - Santa Fe (ltr. only)✓

Accounts

Note to Washington: The participation factors on Exhibit C have been checked and found to be accurate.

# AMBASSADOR OIL CORPORATION

AMBASSADOR BUILDING  
3109 WINTHROP P. O. Box 9338  
FORT WORTH 7, TEXAS

111111  
61 DEC 19 1964

C. HARRISON COOPER  
PRESIDENT  
CHIEF EXECUTIVE OFFICER

CABLE ADDRESS  
FRANJO, FORT WORTH

DECEMBER 10, 1964

*File Core  
3004*

NEW MEXICO OIL CONSERVATION COMMISSION  
P.O. Box 2088  
SANTA FE, NEW MEXICO

ATTENTION: MR. DANIEL NUTTER

GENTLEMEN;

THE PEARSALL QUEEN SAND UNIT IN LEA COUNTY, NEW MEXICO  
APPROVED BY COMMISSION ORDER R-2669 BECAME EFFECTIVE NOVEMBER 1, 1964  
WITH FILING OF A CERTIFICATE OF UNITIZATION WITH THE COUNTY CLERK OF  
LEA COUNTY. COPY ATTACHED FOR YOUR FILES.

DEVELOPMENT WORK HAS COMMENCED TO INSTALL A PILOT WATER-  
FLOOD AS AUTHORIZED UNDER COMMISSION ORDER R-2672.

THE NEW WELL NUMBERING SYSTEM WILL CONSIST OF AFFIXING  
THE TRACT NUMBER UNDER UNITIZATION IN FRONT OF THE OLD WELL NUMBER  
(THUS TRACT 4 WELL 1 BECOMES 4-1). A WELL NUMBER CORRELATOR SHOWING  
THE OLD AND NEW WELL NUMBERS IS ATTACHED.

VERY TRULY YOURS,



E. A. RILEY  
ASSISTANT VICE-PRESIDENT  
MANAGER OF SECONDARY RECOVERY DIV.

EAR/HB

PEARSALL QUEEN SAND UNIT  
 OLD WELL AND NEW WELL NUMBER CORRELATOR, LEA COUNTY,  
 NEW MEXICO

| LOCATION                     | FORMER LEASE OWNER, LEASE NAME, WELL No. | UNIT WELL No.       |
|------------------------------|--|---------------------|
| NE 1/4 SE 1/4 SEC. 34 UNIT I | YATES PETROLEUM CORPORATION              | 11-1                |
| NW 1/4 SE 1/4 SEC. 34 UNIT J | YATES PETROLEUM CORPORATION              | 12-3                |
| NE 1/4 SW 1/4 SEC. 34 UNIT K | YATES PETROLEUM CORPORATION              | NONE (TRACT No. 10) |
| SE 1/4 SW 1/4 SEC. 34 UNIT N | AMBASSADOR OIL CORPORATION               | 15-1                |
| SW 1/4 SE 1/4 SEC. 34 UNIT O | YATES PETROLEUM CORPORATION              | NONE (TRACT No. 14) |
| SE 1/4 SE 1/4 SEC. 34 UNIT P | YATES PETROLEUM CORPORATION              | NONE (TRACT No. 13) |
| NE 1/4 NW 1/4 SEC. 5 UNIT C  | AMBASSADOR OIL CORPORATION               | 2-1                 |
| NW 1/4 NE 1/4 SEC. 5 UNIT B  | AMBASSADOR OIL CORPORATION               | 3-2                 |
| NE 1/4 NE 1/4 SEC. 5 UNIT A  | AMBASSADOR OIL CORPORATION               | 3-1                 |
| SE 1/4 NE 1/4 SEC. 5 UNIT H  | AMBASSADOR OIL CORPORATION               | 1-1                 |
| SW 1/4 NE 1/4 SEC. 5 UNIT G  | AMBASSADOR OIL CORPORATION               | 1-2                 |
| SE 1/4 NW 1/4 SEC. 5 UNIT F  | AMBASSADOR OIL CORPORATION               | 7-1                 |
| NE 1/4 SW 1/4 SEC. 5 UNIT K  | AMBASSADOR OIL CORPORATION               | 2A-2                |
| NW 1/4 SE 1/4 SEC. 5 UNIT J  | AMBASSADOR OIL CORPORATION               | 8-1                 |
| NE 1/4 SE 1/4 SEC. 5 UNIT I  | AMBASSADOR OIL CORPORATION               | 9-1                 |
| SW 1/4 SE 1/4 SEC. 5 UNIT O  | AMBASSADOR OIL CORPORATION               | NONE (TRACT No. 8)  |
| SE 1/4 SW 1/4 SEC. 5 UNIT N  | AMBASSADOR OIL CORPORATION               | NONE (TRACT No. 8)  |
| NW 1/4 NW 1/4 SEC. 4 UNIT D  | AMBASSADOR OIL CORPORATION               | 4-1                 |
| NW 1/4 NW 1/4 SEC. 4 UNIT C  | AMBASSADOR OIL CORPORATION               | 4-2                 |
| NW 1/4 NE 1/4 SEC. 4 UNIT B  | JOHN M. BEARD                            | 5A-1                |
| SE 1/4 NW 1/4 SEC. 4 UNIT F  | READING AND BATES, INC.                  | 6-1                 |
| SW 1/4 NW 1/4 SEC. 4 UNIT E  | AMBASSADOR OIL CORPORATION               | 4A-1                |
|                              | FEDERAL "B" No. 1                        |                     |
|                              | STATE "B" No. 3                          |                     |
|                              | STATE "B" NONE                           |                     |
|                              | STATE "B" No. 1                          |                     |
|                              | STATE "B" NONE                           |                     |
|                              | STATE "B" NONE                           |                     |
|                              | FEDERAL "FE" No. 1                       |                     |
|                              | FEDERAL "BB" No. 2                       |                     |
|                              | FEDERAL "BB" No. 1                       |                     |
|                              | FEDERAL "CC" No. 1                       |                     |
|                              | FEDERAL "CC" No. 2                       |                     |
|                              | FEDERAL "Z" No. 1                        |                     |
|                              | FEDERAL "FF" No. 2                       |                     |
|                              | FEDERAL "DD" No. 1                       |                     |
|                              | SHAW FEDERAL No. 1                       |                     |
|                              | FEDERAL "DD" NONE                        |                     |
|                              | FEDERAL "DD" NONE                        |                     |
|                              | FEDERAL "AA" Tr. 1 No. 1                 |                     |
|                              | FEDERAL "AA" Tr. 1 No. 2                 |                     |
|                              | PEARSALL FED. No. 1                      |                     |
|                              | SHAW FEDERAL "B" No. 1                   |                     |
|                              | FEDERAL "A" TRACT No. 2                  |                     |
|                              | No. 1                                    |                     |

PEARSALL QUEEN SAND UNIT 1  
 OLD WELL AND NEW WELL NUMBER CORRELATOR, LEA COUNTY,  
 NEW MEXICO

| LOCATION              | FORMER LEASE OWNER          | LEASE NAME, WELL No.             | UNIT WELL No.       |
|-----------------------|-----------------------------|----------------------------------|---------------------|
| NE 1/4 SE 1/4 SEC. 34 | YATES PETROLEUM CORPORATION | STATE "B" No. 1                  | 11-1                |
| NW 1/4 SE 1/4 SEC. 34 | YATES PETROLEUM CORPORATION | STATE "B" No. 3                  | 12-3                |
| NE 1/4 SW 1/4 SEC. 34 | YATES PETROLEUM CORPORATION | STATE "B" NONE                   | NONE (TRACT No. 10) |
| SE 1/4 SW 1/4 SEC. 34 | AMBASSADOR OIL CORPORATION  | STATE "B" No. 1                  | 15-1                |
| SW 1/4 SE 1/4 SEC. 34 | YATES PETROLEUM CORPORATION | STATE "B" NONE                   | NONE (TRACT No. 14) |
| SE 1/4 SE 1/4 SEC. 34 | YATES PETROLEUM CORPORATION | STATE "B" NONE                   | NONE (TRACT No. 13) |
| NE 1/4 NW 1/4 SEC. 5  | AMBASSADOR OIL CORPORATION  | FEDERAL "FE" No. 1               | 2-1                 |
| NW 1/4 NE 1/4 SEC. 5  | AMBASSADOR OIL CORPORATION  | FEDERAL "BB" No. 2               | 3-2                 |
| NE 1/4 NE 1/4 SEC. 5  | AMBASSADOR OIL CORPORATION  | FEDERAL "BB" No. 1               | 3-1                 |
| SE 1/4 NE 1/4 SEC. 5  | AMBASSADOR OIL CORPORATION  | FEDERAL "CC" No. 1               | 1-1                 |
| SW 1/4 NE 1/4 SEC. 5  | AMBASSADOR OIL CORPORATION  | FEDERAL "CC" No. 2               | 1-2                 |
| SE 1/4 NW 1/4 SEC. 5  | AMBASSADOR OIL CORPORATION  | FEDERAL "Z" No. 1                | 7-1                 |
| NE 1/4 SW 1/4 SEC. 5  | AMBASSADOR OIL CORPORATION  | FEDERAL "FF" No. 2               | 2A-2                |
| NW 1/4 SE 1/4 SEC. 5  | AMBASSADOR OIL CORPORATION  | FEDERAL "DD" No. 1               | 8-1                 |
| NE 1/4 SE 1/4 SEC. 5  | AMBASSADOR OIL CORPORATION  | SHAW FEDERAL No. 1               | 9-1                 |
| SW 1/4 SE 1/4 SEC. 5  | AMBASSADOR OIL CORPORATION  | FEDERAL "DD" NONE                | NONE (TRACT No. 8)  |
| SE 1/4 SW 1/4 SEC. 5  | AMBASSADOR OIL CORPORATION  | FEDERAL "DD" NONE                | NONE (TRACT No. 8)  |
| NW 1/4 NW 1/4 SEC. 4  | AMBASSADOR OIL CORPORATION  | FEDERAL "AA" Tr. 1 No. 1         | 4-1                 |
| NE 1/4 NW 1/4 SEC. 4  | AMBASSADOR OIL CORPORATION  | FEDERAL "AA" Tr. 1 No. 2         | 4-2                 |
| NW 1/4 NE 1/4 SEC. 4  | JOHN M. BEARD               | PEARSALL FED. No. 1              | 5A-1                |
| SE 1/4 NW 1/4 SEC. 4  | READING AND BATES, INC.     | SHAW FEDERAL "B" No. 1           | 6-1                 |
| SW 1/4 NW 1/4 SEC. 4  | AMBASSADOR OIL CORPORATION  | FEDERAL "A" TRACT No. 2<br>No. 1 | 4A-1                |



114700-1100  
64 DEC 19 AM 11

CERTIFICATE OF UNITIZATION

25678

STATE OF NEW MEXICO  
THE COUNTY OF LEA

KNOW ALL MEN BY THESE PRESENTS:

That AMBASSADOR OIL CORPORATION, a Delaware corporation with offices in Fort Worth, Tarrant County, Texas, does hereby CERTIFY as follows:

1. Ambassador Oil Corporation is the Unit Operator of the Pearsall Queen Sand Unit covering lands in Townships 17 & 18 South, Range 32 East, NMPM, Lea County, New Mexico. This Certificate is made pursuant to Section 22(d) of the Unit Agreement covering said unit.

2. The above described Unit Agreement, and the attending Unit Operating Agreement, were effective as of 7:00 A.M. November 1, 1964.

3a. Prior to November 1, 1964, the abovementioned Unit Agreement had been executed or ratified by more than a combined interest of 75% of the royalty interest owners in the Unit Area of said Unit, and the Unit Agreement and Unit Operating Agreement had been executed or ratified by a combined unit participation interest of more than 95% of the Working Interest Owners.

3b. The Unit Agreement was approved by the Commissioner of Public Lands of the State of New Mexico on June 22, 1964, and by the Director of the United States Geological Survey of the Department of Interior, United States of America, on October 23, 1964. A copy of the approval of each of said agencies is attached as Exhibits "A" and "B" and made a part hereof.

3c. A counterpart of the Unit Agreement was filed for record in the office of the County Clerk of Lea County, New Mexico, on October 29, 1964, and was recorded in Book 225, Page 41 of the Oil and Gas Records of said County.

4. Said Unit Agreement now bears the United States Geological Survey number 14-08-0001-8638.

EXECUTED this 11th day of November, 1964.

ATTEST:

Secretary

AMBASSADOR OIL CORPORATION

By J. R. Boston  
Vice President

CERTIFICATION--DETERMINATION

14-08-0001 8638

Pursuant to the authority vested in the Secretary of the Interior, under the act approved February 25, 1920, 41 Stat. 437, 30 U.S.C. Secs. 181, et seq., as amended by the act of August 8, 1946, 60 Stat. 950, and delegated to the Director of the Geological Survey pursuant to Departmental Order No. 2365 of October 8, 1947, 43 CFR section 4.611, 12 F.R. 6784, I do hereby:

A. Approve the attached agreement for the development and operation of the Pearsall Queen Sand unit area, State of New Mexico, County of Lea.

B. Certify and determine that the Unit Plan of Development and operation contemplated in the attached agreement is necessary and advisable in the public interest for the purpose of more properly conserving the natural resources.

C. Certify and determine that the drilling, producing, rental, minimum royalty, and royalty requirements of all Federal leases committed to said agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of this agreement.

Dated: OCT 23 1964

*[Signature]*

Acting Director, United States Geological Survey

STATE OF NEW MEXICO  
COUNTY OF LEA  
FILED

OCT 29 1964

at 9:30 o'clock a M  
and Recorded in Book 225  
Page 1  
By JANE BICE County Clerk  
By SN Deputy

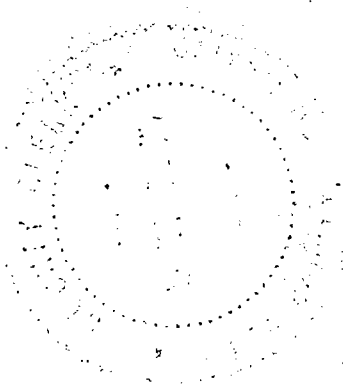


EXHIBIT A

RECEIVED  
OCT.  
U. S. GEOLOGICAL SURVEY  
ROSWELL, NEW MEXICO

25029

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

PEARSALL QUEEN SAND UNIT

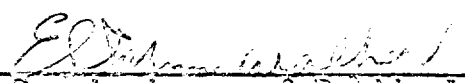
LEA COUNTY, NEW MEXICO

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, the attached Agreement for the development and operation of acreage which is described within the attached Agreement, dated October 1, 1963, which has been executed or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the state, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 7-11-39, 7-11-40, 7-11-41, 7-11-47, 7-11-48, New Mexico Statutes Annotated 1953 Compilation, I, the undersigned, Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 22nd day of June 19 64.

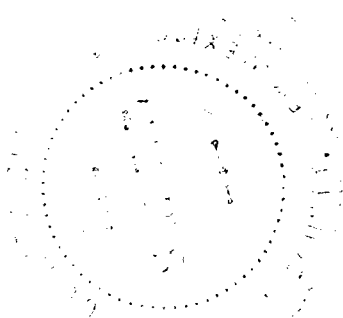
  
Commissioner of Public Lands  
of the State of New Mexico

STATE OF NEW MEXICO  
COUNTY OF LEA  
FILED

EXHIBIT B

NOV 18 1964

at 9:30 o'clock a.M  
and Recorded in Book 226  
Page 102  
JANE RICE, County Clerk  
By G. H. Deputy



CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

PEARSALL QUEEN SAND UNIT

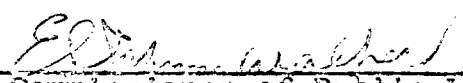
LEA COUNTY, NEW MEXICO

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, the attached Agreement for the development and operation of acreage which is described within the attached Agreement, dated October 1, 1963, which has been executed or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the state, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 7-11-39, 7-11-40, 7-11-41, 7-11-47, 7-11-48, New Mexico Statutes Annotated 1953 Compilation, I, the undersigned, Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 22nd day of June 19 64.

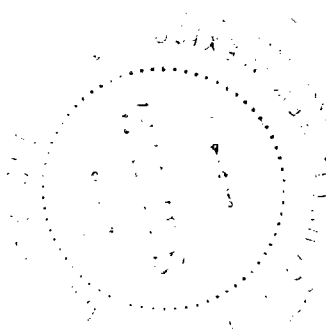
  
Commissioner of Public Lands  
of the State of New Mexico

STATE OF NEW MEXICO  
COUNTY OF LEA  
FILED

EXHIBIT B

NOV 18 1964

at 9:30 o'clock a. M  
and Recorded in Book 226  
Page 102  
JANE RICE, County Clerk  
By G. H. Deputy



THE STATE OF TEXAS      Y  
COUNTY OF TARRANT      Y

BEFORE ME, the undersigned, James M. [illegible], a Notary Public within and for said County and State, on this 16<sup>th</sup> day of NOVEMBER, 1964, personally appeared H. R. BOLTON, to me known to be the identical person who subscribed the name of the maker thereof to the within and foregoing instrument as its Vice President, and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation for the uses and purposes therein set forth.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal the day  
and year last above written.

Notary Public in and for Tarrant County, Texas.

My Commission Expires:

June 1, 1965.



3004

3004

MAIN OFFICE OCC

1964 JUN 22 PM 4:17

June 22, 1964

Ambassador Oil Corporation  
P. O. Box 9338  
Fort Worth 7, Texas

Re: Pearsall Queen Sand Unit,  
Lea County, New Mexico

Attention: Mr. E. A. Riley

Gentlemen:

Pursuant to my telephone conversation with your Mr. Williams concerning approval of the Pearsall Queen Sand Unit as revised by the insertion of a new page 18.

As I stated to your Mr. Williams, I feel that this revised agreement should be ratified or agreed to by the working and royalty interest and that a verbal agreement to this revision is not sufficient. Therefore, not wishing to further delay the final approval of this unit, we are voiding our approval of June 1, 1964, and issuing new Certificates of Approval as of this date. However, we are requesting that Ambassador furnish us, at the earliest possible time, approval of this revision from each working and royalty interest who previously ratified the Pearsall Queen Sand Unit Agreement.

Ambassador Oil Corporation

June 22, 1964

-page 2-

MAIN OFFICE OCC  
1964 JUN 22 PM 4:17

We are enclosing eight originally signed copies of our Certificate of Approval. Our approval of this unit is subject to the above stated requirements and is also subject to like approval by the United States Geological Survey.

Very truly yours,

E. S. JOHNNY WALKER  
COMMISSIONER OF PUBLIC LANDS

BY:

(Mrs.) Marian M. Rhea, Supervisor  
Unit Division

ESJW/mmr/mim

Enclosures - 9

cc: United States Geological Survey  
Drawer 1857  
Roswell, New Mexico  
Attention: Mr. John A. Anderson

New Mexico Oil Conservation Commission  
Santa Fe, New Mexico

June 2, 1964

Ambassador Oil Corporation  
P. O. Box 9338  
Fort Worth 7, Texas

Re: Pearsall Queen Sand Unit  
Lea County, New Mexico

Attention: Mr. E. A. Riley

Gentlemen:

The Commissioner of Public Lands approved as of June 1, 1964, the Pearsall Queen Sand Unit, Lea County, New Mexico. subject to like approval by the United States Geological Survey.

This Unit Agreement was approved by the Oil Conservation Commission March 18, 1964 under Case No. 3004, Order No. R-2669 also Case No. 3005 and Order No. R-2672,

We are enclosing eight originally signed Certificates of Approval together with Official Receipt No. G-24909, in the amount of Fifteen (\$15.00) Dollars which covers the filing fee.



Ambassador Oil Corporation  
Attention: Mr. E. A. Riley  
June 2, 1964  
- page 2 -

At such time as this Agreement is approved by the  
United States Geological Survey please furnish us a  
fully conformed copy.

Very truly yours,

E. S. JOHNNY WALKER  
COMMISSIONER OF PUBLIC LANDS

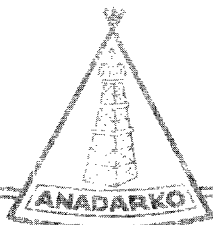
BY:  
(Mrs.) Marian M. Rhea, Supervisor  
Unit Division

ESW/mmrv

cc:

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

Oil Conservation Commission  
Santa Fe, New Mexico



**ANADARKO PRODUCTION COMPANY**

3109 WINTHROP AVENUE P. O. BOX 9317 FORT WORTH, TEXAS 76107  
CABLE ADDRESS: ANDARK

July 14, 1967

3004

United States Department of the Interior  
Geological Survey  
Drawer 1851  
Roswell, New Mexico 88201

Attention: Mr. Ed Wyatt

RE: Revised Exhibit "A" for  
expansion of Pearsall  
Queen Sand Unit, Lea  
County, New Mexico to  
include NE/4 SW/4  
Section 4-T18S-R32E

Gentlemen:

On June 13, 1967, we submitted a letter to you along with re-  
vised Exhibits "B" and "C" requesting preliminary concurrence of  
the Supervisor to expand the Pearsall Queen Sand Unit, Lea County,  
New Mexico to include the NE/4 SW/4 Section 4-T18S-R32E.

Revised Exhibit "A" for the expansion was not submitted with the  
above material, and we are submitting same herewith so that you  
may proceed with your preliminary concurrence.

Very truly yours,

ANADARKO PRODUCTION COMPANY

Original Signed By  
C. W. Stumhoffer

C.W. Stumhoffer  
Superintendent  
Secondary Recovery Division

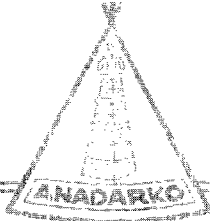
1967 JUL 17 AM 8 11

CWS/nl

Encl:

cc: Honorable Guyton B. Hays  
Commissioner of Public Lands  
State of New Mexico

Mr. A.L. Porter ✓  
Secretary-Director  
State of New Mexico Oil Conservation Commission



**ANADARKO PRODUCTION COMPANY**

3109 WINTHROP AVENUE      P. O. BOX 9317      FORT WORTH, TEXAS 76107  
CABLE ADDRESS: ANDARK

July 14, 1967

Honorable Guyton B. Hays  
Commissioner of Public Lands  
State of New Mexico  
P.O. Box 1148  
Santa Fe, New Mexico 87501

RE: Revised Exhibit "A" for  
expansion of Pearsall  
Queen Sand Unit, Lea  
County, New Mexico to  
include NE/4 SW/4  
Section 4-T18S-R32E

Gentlemen:

On June 13, 1967, we submitted a letter to you along with re-  
vised Exhibits "B" and "C" requesting preliminary concurrence of  
the Commissioner to expand the Pearsall Queen Sand Unit, Lea County,  
New Mexico to include the NE/4 SW/4 Section 4-T18S-R32E.

Revised Exhibit "A" for the expansion was not submitted with the  
above material, and we are submitting same herewith so that you  
may proceed with your preliminary concurrence.

Very truly yours,

ANADARKO PRODUCTION COMPANY

Original Signed By  
C. W. Stumhoffer

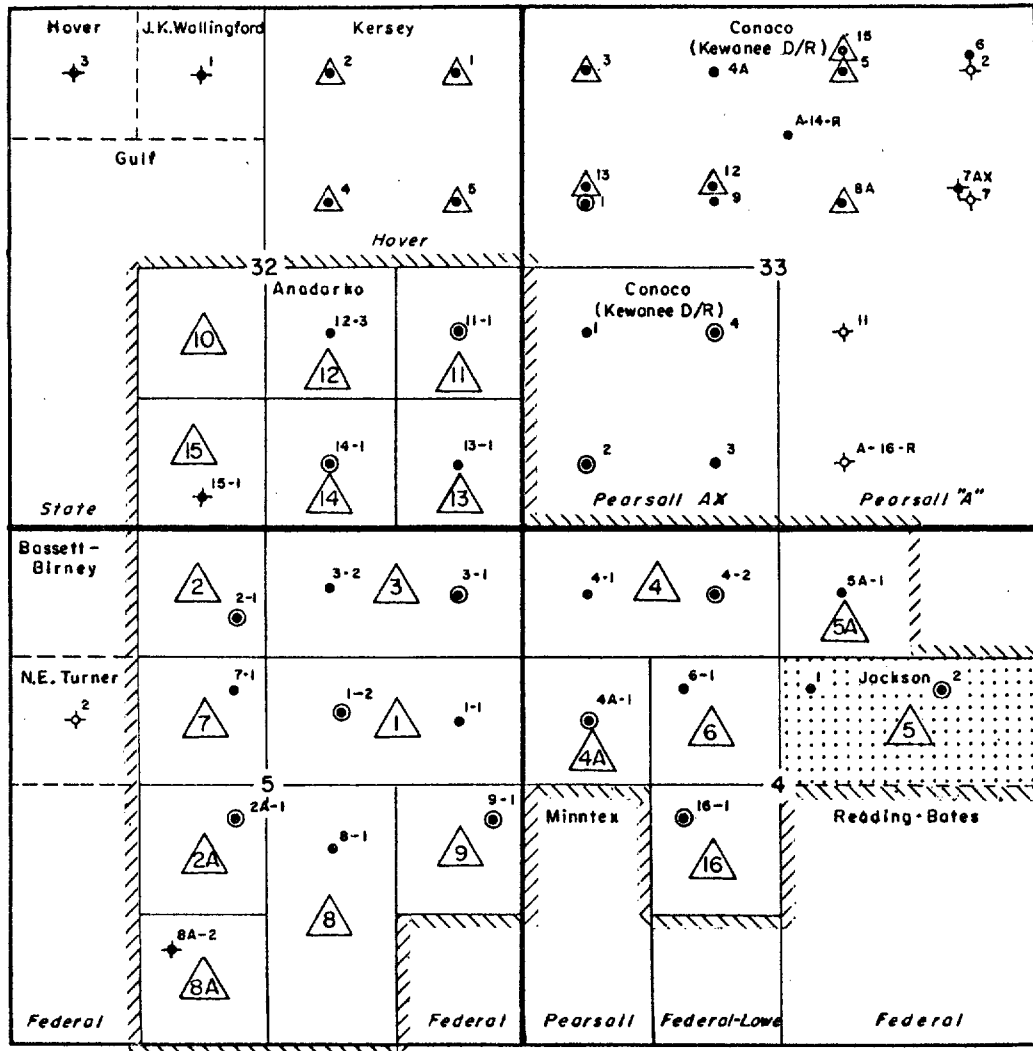
C.W. Stumhoffer  
Superintendent  
Secondary Recovery Division

CWS/nl

cc: United States Department of the Interior  
Geological Survey

Mr. A.L. Porter ✓  
Secretary-Director  
State of New Mexico Oil Conservation Commission

R 32 E



T  
17  
S

T  
18  
S

# LEGEND

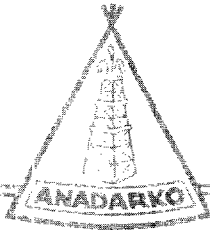
- - Queen
- ▲ - Grayburg
- ⊙ - Water Injection Well
- ★ - Plugged & Abandoned
- ⋯ - Non Participating tract
- - - Unit Boundary
- △ - Tract Number

EXHIBIT "A" TO UNIT AGREEMENT

## PEARSALL QUEEN SAND UNIT

LEA COUNTY, NEW MEXICO





# ANADARKO PRODUCTION COMPANY

3109 WINTHROP AVENUE P. O. BOX 9317 FORT WORTH, TEXAS 76107

CABLE ADDRESS: ANDARK

June 13, 1967

3004

Honorable Guyton B. Hays  
Commissioner of Public Lands  
State of New Mexico  
P.O. Box 1148  
Santa Fe, New Mexico 87501

RE: Preliminary concurrence of  
Commissioner to expand Pearsall  
Queen Sand Unit, Lea County,  
New Mexico to include NE/4  
SW/4 Section 4-T18S-R32E.

Gentlemen:

Under the provisions of Section 4 -EXPANSION of the Unit Agreement of the Pearsall Queen Sand Unit, Lea County, New Mexico, we are requesting preliminary concurrence by the Commissioner to expand the present Unit area to include the NE/4 SW/4 of Section 4-T18S-R32E, Lea County, New Mexico containing forty (40) acres more or less.

This forty-acre tract is part of an Oil and Gas Lease bearing Serial No. LC 059255 which covers the E/2 SW/4 and the S/2 SE/4 of Section 4-T18S-R32E that was acquired from Maljamar Petroleum Products, Inc. on July 20, 1966 by Anadarko Production Company as Unit Operator for the Working Interest Owners of the Pearsall Queen Sand Unit. This lease is referred to as the Federal Love.

On the tract for which admission to the Unit area is being requested, Federal Love Well No. 1 was drilled during November, 1963 by Maljamar Petroleum Products, Inc. to a total depth of 4030'. After equipping with 5½" O.D. casing set at 3879', attempts were made to complete this well in the Queen Sand through perforations from 3755'-60' and 3770'-78'. These perforations were treated with 15,000 gallons of oil and 22,000 pounds of sand.

MAIN OFFICE

'67 JUN 16 AM 8 15

Subsequent production tests indicated that this well was below the oil-water contact in the Queen sand. For this reason, Federal Love Well No. 1 has produced no primary oil.

Since Federal Love Well No. 1 is located on pattern as a water injection well with the Pearsall Queen Sand Unit Waterflood, this well is being and has been utilized for water injection into the Queen sand. Verbal approval for the conversion of this well to water injection was obtained from Geological Survey and from the State of New Mexico Oil Conservation Commission provided that this tract would be brought into the Pearsall Queen Sand Unit.

Therefore, we are submitting for your preliminary approval revised Exhibits "A", "B", and "C" to the Unit Agreement for the Pearsall Queen Sand Unit reflecting inclusion of the Federal Love Tract in the participating Unit area. To assist you in examining these revised exhibits, we are enclosing a tabulation of parameters to arrive at participation factors for each tract in the expanded Unit area.

Your early consideration of this preliminary approval request will be appreciated.

Very truly yours,

ANADARKO PRODUCTION COMPANY

Original Signed By  
C. W. Stumhoffer

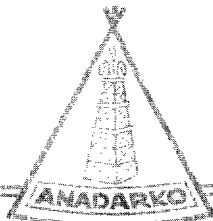
C.W. Stumhoffer  
Superintendent  
Secondary Recovery Division

CWS/nl

Encl:

cc: Mr. John A. Anderson  
Regional Oil and Gas Supervisor  
United States Department of the Interior  
Geological Survey  
P.O. Drawer 1851  
Roswell, New Mexico 88201

Mr. A.L. Porter ✓  
Secretary-Director  
State of New Mexico Oil Conservation Commission  
P.O. Box 2088  
Santa Fe, New Mexico 87501



# ANADARKO PRODUCTION COMPANY

3109 WINTHROP AVENUE P. O. BOX 9317 FORT WORTH, TEXAS 76107  
CABLE ADDRESS: ANDARK

June 13, 1967

United States Department of the Interior  
Geological Survey  
Drawer 1851  
Roswell, New Mexico 88201

Attention: Mr. John A. Anderson  
Regional Oil and Gas Supervisor

RE: Preliminary concurrence of  
Director to expand Pearsall  
Queen Sand Unit, Lea County,  
New Mexico to include NE/4  
SW/4 Section 4-T18S-R32E.

Gentlemen:

Under the provisions of Section 4 -EXPANSION of the Unit Agreement of the Pearsall Queen Sand Unit, Lea County, New Mexico, we are requesting preliminary concurrence by the Director to expand the present Unit area to include the NE/4 SW/4 of Section 4-T18S-R32E, Lea County, New Mexico containing forty (40) acres more or less.

This forty-acre tract is part of an Oil and Gas Lease bearing Serial No. LC 059255 which covers the E/2 SW/4 and the S/2 SE/4 of Section 4-T18S-R32E that was acquired from Maljamar Petroleum Products, Inc. on July 20, 1966 by Anadarko Production Company as Unit Operator for the Working Interest Owners of the Pearsall Queen Sand Unit. This lease is referred to as the Federal Love.

On the tract for which admission to the Unit area is being requested, Federal Love Well No. 1 was drilled during November, 1963 by Maljamar Petroleum Products, Inc. to a total depth of 4030'. After equipping with 5½" O.D. casing set at 3879', attempts were made to complete this well in the Queen Sand through perforations from 3755'-60' and 3770'-78'. These perforations were treated with 15,000 gallons of oil and 22,000 pounds of sand.

67 JUN 16 AM 8

United States Department of the Interior  
Geological Survey  
Attention: Mr. John A. Anderson

Page 2  
June 13, 1967

Subsequent production tests indicated that this well was below the oil-water contact in the Queen sand. For this reason, Federal Love Well No. 1 has produced no primary oil.

Since Federal Love Well No. 1 is located on pattern as a water injection well with the Pearsall Queen Sand Unit Waterflood, this well is being and has been utilized for water injection into the Queen sand. Verbal approval for the conversion of this well to water injection was obtained from your office and the State of New Mexico Oil Conservation Commission provided that this tract would be brought into the Pearsall Queen Sand Unit.

Therefore, we are submitting for your preliminary approval revised Exhibits "A", "B", and "C" to the Unit Agreement for the Pearsall Queen Sand Unit reflecting inclusion of the Federal Love Tract in the participating Unit area. To assist you in examining these revised exhibits, we are enclosing a tabulation of parameters to arrive at participation factors for each tract in the expanded Unit area.

Your early consideration of this preliminary approval request will be appreciated.

Very truly yours,

ANADARKO PRODUCTION COMPANY

Original Signed By  
C. W. Stumhoffer

C.W. Stumhoffer  
Superintendent  
Secondary Recovery Division

CWS/nl

Encl:

cc: Honorable Guyton B. Hays  
Commissioner of Public Lands  
State of New Mexico  
P.O. Box 1148  
Santa Fe, New Mexico 87501

Mr. A.L. Porter ✓  
Secretary-Director  
State of New Mexico Oil Conservation Commission  
P.O. Box 2088  
Santa Fe, New Mexico 87501





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

IN REPLY REFER TO:

AUG 14 1967

Anadarko Production Company  
P. O. Box 9317  
Ft. Worth, Texas 76107

Attention: Mr. C. W. Stumboffer

Gentlemen:

Your letter of June 13 filed on June 16, 1967, with the Regional Oil and Gas Supervisor, Roswell, New Mexico, requests preliminary approval of a proposed expansion of the Pearsall Queen Sand unit area, Lea County, New Mexico.

The Pearsall Queen Sand unit agreement, No. 14-08-0001-8638, was approved on October 23, 1964, effective November 1, 1964. The agreement was formed for the purpose of conducting secondary recovery operations in the interval which includes the Queen Sand and the immediate 97 feet below as defined by Sections 2(h) and 2(i) of the unit agreement. The unit entered Phase II participation on December 1, 1965. Phase II participation in unitized substances for each originally qualified tract is based 75 percent on ultimate primary recovery, plus 12½ percent on productive acres, plus 12½ percent on usable wells. Phase II participation for the tract covering the acreage added by the proposed expansion will be on the same basis as for the originally qualified tracts.

The proposed expansion of 40 acres of Federal land described as the NE¼SW¼ sec. 4, T. 18 S., R. 32 E., N.M.P.M., will increase the Pearsall Queen Sand unit area from 961.17 acres to 1,001.17 acres, more or less. While such land is not productive in the unitized formation, its inclusion in the unit area will permit the well situated thereon to be operated as a unit injection well which should increase the ultimate recovery from the project area.

Accordingly, no objection will be offered to the proposed expansion if accomplished in accordance with the applicable provisions of Section 4 of the unit agreement within a reasonable period of time. At least five copies of the application for final approval accompanied by appropriate joinders for the new tract should be filed with the Oil and Gas Supervisor, Roswell, New Mexico, after such application has been approved by the Commissioner of Public Lands of the State of New Mexico and the New Mexico Oil Conservation Commissioner.

The format of the sample exhibits attached to the 1961 reprint of the standard form should be followed in the preparation of revised Exhibits A and E. Do not renumber existing tracts.

Sincerely yours,



Acting Director

cc:

BLM, Santa Fe

Com. Pub. Lands, Santa Fe

HMCCC, Santa Fe ✓

Roswell (2)

ERWyatt:bw:7-19-67

*JEK*

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

*3004*

October 26, 1967

C  
O  
P  
Y

Anadarko Production Company  
P. O. Box 9317  
Fort Worth, Texas 76107

Attention: Mr. C. W. Stumhoffer

Re: Expansion of Pearsall Queen Sand Unit,  
Lea County, New Mexico

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the expansion of the Pearsall Queen Sand Unit, Lea County, New Mexico, to include the NE/4 NW/4 of Section 4, Township 18 South, Range 32 East, NMPM, as Tract 16, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

One approved copy of the application is being forwarded to the Commissioner of Public Lands, one approved copy is being forwarded to the United States Geological Survey, Roswell, New Mexico, and two approved copies are returned herewith.

Very truly yours,

A. L. PORTER, Jr.  
Secretary-Director

ALP/JEK/og

cc: Commissioner of Public Lands  
Santa Fe, New Mexico

United States Geological Survey  
Drawer 1857  
Roswell, New Mexico 88201

APPLICATION  
FOR APPROVAL OF UNIT EXPANSION  
PEARSALL QUEEN SAND UNIT

Director,  
United States Geological Survey  
c/o Regional Oil and Gas Supervisor  
P. O. Box 1857  
Roswell, New Mexico

The Honorable Guyton Hays  
Commissioner of Public Lands  
P. O. Box 791  
Santa Fe, New Mexico

New Mexico Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico  
Attention: Mr. A. L. Porter, Jr.  
Secretary-Director

Gentlemen:

Anadarko Production Company, as Operator of the Pearsall Queen Sand Unit, hereby requests approval to expand the Pearsall Queen Sand Unit by adding thereto Tract No. 16, Anadarko Production Company, et al Federal Love Lease (Serial No. LC 059255) consisting of the NE/4 SW/4 Section 4, T-18S, R-32E, Lea County, New Mexico. Said expansion is proposed to be accomplished under the provisions of Section 4 of the Pearsall Queen Sand Unit Agreement that was effective November 1, 1964. The procedures outlined by said Unit Agreement have been carried out as follows:

1. Anadarko Production Company purchased the operating rights to a depth of 5,000 feet in and to Federal Lease LC 059255 covering the NE/4 of SW/4 Section 4, T-18S, R-32E, Lea County, New Mexico for the account of the Working Interest Owners of the Pearsall Queen Sand Unit for the purpose of utilizing the old well located thereon and formerly known as the Maljamar Petroleum Products, Inc. Federal Love No. 1 Well as an injection well for the Unit. An assignment of said operating rights has been made by Anadarko Production Company to the present Working Interest Owners of the Pearsall Queen Sand Unit in proportion to their present fractional ownership in the Unit and said Assignment of operating rights has been approved by the Bureau of Land Management. A letter ballot dated September 1, 1967 was submitted to

Page #2

Application for Approval of Unit  
Expansion - Pearsall Queen Sand  
Unit, Lea County, New Mexico

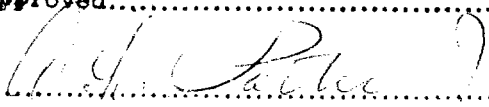
the Working Interest Owners of the Pearsall Queen Sand Unit, soliciting their approval of the Expansion of the Unit to include Tract 16 above described, and 100% of said Working Interest Owners have approved said Expansion.

2. Preliminary concurrence of the proposed expansion was given on June 14, 1967 by the Commissioner of Public Lands, and on August 14, 1967 by the Director of the United States Geological Survey.
3. A Notice of the Proposed Expansion of the Pearsall Queen Sand Unit, Lea County, New Mexico dated September 1, 1967 was mailed on said date to the Commissioner, the Supervisor, each Working Interest Owner, Overriding Royalty Interest Owner, Lessee, and Lessor of the Unit and of Tract 16 herein described. Copies of the Notice of Proposed Expansion are enclosed.
4. Since the mailing of said Notice of Proposed Expansion more than 30 days have elapsed and no objection to the Proposed Expansion has been received.
5. Joinders of Working Interest Owners under Tract 16 above described should not be necessary in this case since said owners are identical to the Working Interest Owners of the Unit.

In addition to the attachments described above, there is furnished here- with (1) revised Exhibit A showing revised Unit boundary and tract designation, (2) revised Exhibit B showing relevant data on all tracts within the expanded unit area and (3) revised Exhibit C showing participation of each Working Interest Owner in the expanded Unit.

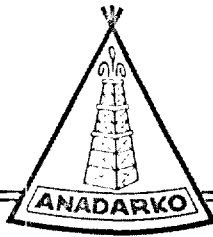
As stated in the aforementioned Notice of Intent To Expand the Pearsall Queen Sand Unit, the proposed effective date of Expansion is October 1, 1967 which is the first day of the month subsequent to the Notice.

Wherefore, Anadarko Production Company respectfully requests approval of the expansion of the Pearsall Queen Sand Unit as outlined above.

|               |   |      |                             |
|---------------|---|------|-----------------------------|
| Approved..... | Oct. 26   | 1967 | Respectfully submitted,     |
|               |  |      | C. W. Stumhoffer            |
| CWS/hb        | Secretary-Director  |      | Superintendent              |
|               |   |      | Secondary Recovery Division |

NEW MEXICO OIL CONSERVATION COMMISSION

THIS APPROVAL GRANTED SUBJECT TO LINE APPROVAL  
BEING GRANTED BY THE UNITED STATES GEOLOGICAL  
SURVEY AND BY THE COMMISSIONER OF PUBLIC LANDS  
OF THE STATE OF NEW MEXICO.



# ANADARKO PRODUCTION COMPANY

3109 WINTHROP AVENUE P. O. BOX 9317 FORT WORTH, TEXAS 76107  
CABLE ADDRESS: ANDARK

September 1, 1967

To: Working Interest Owners  
Pearsall Queen Sand Unit  
Lea County, New Mexico

Pearsall Queen Sand Unit  
Lea County, New Mexico

Gentlemen:

The Working Interest Owners of the Pearsall Queen Sand Unit, Lea County, New Mexico acquired, in the same proportions as their present ownership in said Unit, the Operating Rights in and to Federal Lease LC 059255 to a depth of 5,000 feet from surface, insofar as said lease covers the NE/4 SW/4 Section 4, Township 18 South, Range 32 East, Lea County, New Mexico.

The Working Interest Owners of the Pearsall Queen Sand Unit desire to expand said Unit to include said NE/4 SW/4 Section 4, 18 South, Range 32 East in order to use the well thereon as an Injection Well for the Unit. It is proposed to allocate to said tract, which is to be numbered Tract 16 of the Unit, a Unit participation of 1.278772%.

It is proposed that the Unit be expanded to include said tract of land in accordance with Section 4 of the Unit Agreement which requires the approval of 90% of the Working Interest Owners. We will appreciate it if you will indicate your approval of the expansion of the Unit to include the additional 40 acre tract on the basis herein proposed by signing and returning to us the extra copy of this letter so indicating.

Very truly yours,

Anadarko Production Company

*C. W. Stumhoffer*

C. W. Stumhoffer  
Superintendent  
Secondary Recovery Division

CWS/JF/hb

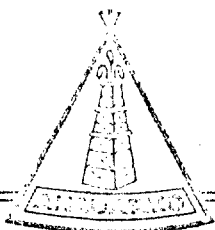
APPROVED:

Company Anadarko Production Company

By *C. W. Stumhoffer*

Superintendent Secondary Recovery Div.

Date September 5, 1967



# ANADARKO PRODUCTION COMPANY

3109 WINTHROP AVENUE P. O. BOX 9317 FORT WORTH, TEXAS 76107  
CABLE ADDRESS: ANDARK

September 1, 1967

To: Working Interest Owners  
Pearsall Queen Sand Unit  
Lea County, New Mexico

Pearsall Queen Sand Unit  
Lea County, New Mexico

Gentlemen:

The Working Interest Owners of the Pearsall Queen Sand Unit, Lea County, New Mexico acquired, in the same proportions as their present ownership in said Unit, the Operating Rights in and to Federal Lease LC 059255 to a depth of 5,000 feet from surface, insofar as said lease covers the NE/4 SW/4 Section 4, Township 18 South, Range 32 East, Lea County, New Mexico.

The Working Interest Owners of the Pearsall Queen Sand Unit desire to expand said Unit to include said NE/4 SW/4 Section 4, 18 South, Range 32 East in order to use the well thereon as an Injection Well for the Unit. It is proposed to allocate to said tract, which is to be numbered Tract 16 of the Unit, a Unit participation of 1.278772%.

It is proposed that the Unit be expanded to include said tract of land in accordance with Section 4 of the Unit Agreement which requires the approval of 90% of the Working Interest Owners. We will appreciate it if you will indicate your approval of the expansion of the Unit to include the additional 40 acre tract on the basis herein proposed by signing and returning to us the extra copy of this letter so indicating.

Very truly yours,

Anadarko Production Company

*C. W. Stumhoffer*

C. W. Stumhoffer  
Superintendent  
Secondary Recovery Division

CWS/JF/hb

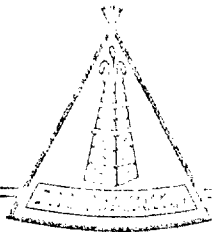
APPROVED:

Company

By

Date

*James H. Anderson*  
*K. V. Hall*  
*Sept 25, 67*



ANADARKO PRODUCTION COMPANY

3109 WINTERBURN AVENUE P. O. BOX 9317 FORT WORTH, TEXAS 76107  
CABLE ADDRESS: ANDARK

September 1, 1967

To: Working Interest Owners  
Pearsall Queen Sand Unit  
Lea County, New Mexico

Pearsall Queen Sand Unit  
Lea County, New Mexico

Gentlemen:

The Working Interest Owners of the Pearsall Queen Sand Unit, Lea County, New Mexico acquired, in the same proportions as their present ownership in said Unit, the Operating Rights in and to Federal Lease LC 059255 to a depth of 5,000 feet from surface, insofar as said lease covers the NE/4 SW/4 Section 4, Township 18 South, Range 32 East, Lea County, New Mexico.

The Working Interest Owners of the Pearsall Queen Sand Unit desire to expand said Unit to include said NE/4 SW/4 Section 4, 18 South, Range 32 East in order to use the well thereon as an Injection Well for the Unit. It is proposed to allocate to said tract, which is to be numbered Tract 16 of the Unit, a Unit participation of 1.278772%.

It is proposed that the Unit be expanded to include said tract of land in accordance with Section 4 of the Unit Agreement which requires the approval of 90% of the Working Interest Owners. We will appreciate it if you will indicate your approval of the expansion of the Unit to include the additional 40 acre tract on the basis herein proposed by signing and returning to us the extra copy of this letter so indicating.

Very truly yours,

Anadarko Production Company

*C. W. Stumhoffer*

C. W. Stumhoffer  
Superintendent  
Secondary Recovery Division

CWS/JF/hb

APPROVED:

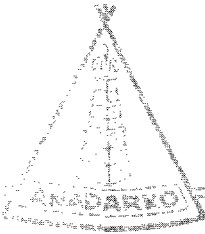
Company

By

Date

*[Signature]*  
*[Signature]*  
*Sept 25, 67*





# ANADARKO PRODUCTION COMPANY

3109 WINTHROP AVENUE P. O. BOX 9317 FORT WORTH, TEXAS 76107

CABLE ADDRESS: ANDARK

September 1, 1967

To: Working Interest Owners  
Pearsall Queen Sand Unit  
Lea County, New Mexico

Pearsall Queen Sand Unit  
Lea County, New Mexico

Gentlemen:

The Working Interest Owners of the Pearsall Queen Sand Unit, Lea County, New Mexico acquired, in the same proportions as their present ownership in said Unit, the Operating Rights in and to Federal Lease LC 059255 to a depth of 5,000 feet from surface, insofar as said lease covers the NE/4 SW/4 Section 4, Township 18 South, Range 32 East, Lea County, New Mexico.

The Working Interest Owners of the Pearsall Queen Sand Unit desire to expand said Unit to include said NE/4 SW/4 Section 4, 18 South, Range 32 East in order to use the well thereon as an Injection Well for the Unit. It is proposed to allocate to said tract, which is to be numbered Tract 16 of the Unit, a Unit participation of 1.278772%.

It is proposed that the Unit be expanded to include said tract of land in accordance with Section 4 of the Unit Agreement which requires the approval of 90% of the Working Interest Owners. We will appreciate it if you will indicate your approval of the expansion of the Unit to include the additional 40 acre tract on the basis herein proposed by signing and returning to us the extra copy of this letter so indicating.

Very truly yours,

Anadarko Production Company

*C. W. Stumhoffer*

C. W. Stumhoffer  
Superintendent  
Secondary Recovery Division

CWS/JF/hb

APPROVED:

Company *Anadarko*

By *W. M. Beach*

Date *9-5-67*



ANADARKO PRODUCTION COMPANY

3009 WILLOW AVENUE P. O. BOX 9317 FORT WORTH, TEXAS 76107

CABLE ADDRESS: ANDARK

September 1, 1967

To: Working Interest Owners  
Pearsall Queen Sand Unit  
Lea County, New Mexico

Pearsall Queen Sand Unit  
Lea County, New Mexico

Gentlemen:

The Working Interest Owners of the Pearsall Queen Sand Unit, Lea County, New Mexico acquired, in the same proportions as their present ownership in said Unit, the Operating Rights in and to Federal Lease LC 059255 to a depth of 5,000 feet from surface, insofar as said lease covers the NE/4 SW/4 Section 4, Township 18 South, Range 32 East, Lea County, New Mexico.

The Working Interest Owners of the Pearsall Queen Sand Unit desire to expand said Unit to include said NE/4 SW/4 Section 4, 18 South, Range 32 East in order to use the well thereon as an Injection Well for the Unit. It is proposed to allocate to said tract, which is to be numbered Tract 16 of the Unit, a Unit participation of 1.278772%.

It is proposed that the Unit be expanded to include said tract of land in accordance with Section 4 of the Unit Agreement which requires the approval of 90% of the Working Interest Owners. We will appreciate it if you will indicate your approval of the expansion of the Unit to include the additional 40 acre tract on the basis herein proposed by signing and returning to us the extra copy of this letter so indicating.

Very truly yours,

Anadarko Production Company

*C. W. Stumhoffer*

C. W. Stumhoffer  
Superintendent  
Secondary Recovery Division

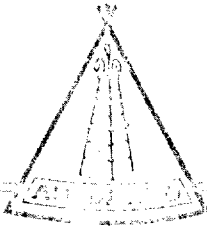
CWS/JF/hb

APPROVED:

Company DIXON & YATES OIL COMPANY

By *W. B. Yates*  
Partner

Date Sept. 14, 1967



**A N A D A R K O   P R O D U C T I O N   C O M P A N Y**

3109 WINTHROP AVENUE      P. O. BOX 9317      FORT WORTH, TEXAS 76107  
CABLE ADDRESS: ANOARK

September 1, 1967

To: Working Interest Owners  
Pearsall Queen Sand Unit  
Lea County, New Mexico

Pearsall Queen Sand Unit  
Lea County, New Mexico

Gentlemen:

The Working Interest Owners of the Pearsall Queen Sand Unit, Lea County, New Mexico acquired, in the same proportions as their present ownership in said Unit, the Operating Rights in and to Federal Lease LC 059255 to a depth of 5,000 feet from surface, insofar as said lease covers the NE/4 SW/4 Section 4, Township 18 South, Range 32 East, Lea County, New Mexico.

The Working Interest Owners of the Pearsall Queen Sand Unit desire to expand said Unit to include said NE/4 SW/4 Section 4, 18 South, Range 32 East in order to use the well thereon as an Injection Well for the Unit. It is proposed to allocate to said tract, which is to be numbered Tract 16 of the Unit, a Unit participation of 1.278772%.

It is proposed that the Unit be expanded to include said tract of land in accordance with Section 4 of the Unit Agreement which requires the approval of 90% of the Working Interest Owners. We will appreciate it if you will indicate your approval of the expansion of the Unit to include the additional 40 acre tract on the basis herein proposed by signing and returning to us the extra copy of this letter so indicating.

Very truly yours,

Anadarko Production Company

*C. W. Stumhoffer*

C. W. Stumhoffer  
Superintendent  
Secondary Recovery Division

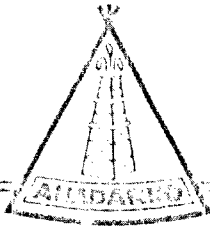
CWS/JF/hb

APPROVED:

Company F. W. Hollenay Jr

By FW Hollenay Jr

Date September 25 1967



**ANADARKO PRODUCTION COMPANY**

3109 WINTHROP AVENUE P. O. BOX 9317 FORT WORTH, TEXAS 76107  
CABLE ADDRESS: ANDARK

September 1, 1967

To: Working Interest Owners  
Pearsall Queen Sand Unit  
Lea County, New Mexico

Pearsall Queen Sand Unit  
Lea County, New Mexico

Gentlemen:

The Working Interest Owners of the Pearsall Queen Sand Unit, Lea County, New Mexico acquired, in the same proportions as their present ownership in said Unit, the Operating Rights in and to Federal Lease LC 059255 to a depth of 5,000 feet from surface, insofar as said lease covers the NE/4 SW/4 Section 4, Township 18 South, Range 32 East, Lea County, New Mexico.

The Working Interest Owners of the Pearsall Queen Sand Unit desire to expand said Unit to include said NE/4 SW/4 Section 4, 18 South, Range 32 East in order to use the well thereon as an Injection Well for the Unit. It is proposed to allocate to said tract, which is to be numbered Tract 16 of the Unit, a Unit participation of 1.278772%.

It is proposed that the Unit be expanded to include said tract of land in accordance with Section 4 of the Unit Agreement which requires the approval of 90% of the Working Interest Owners. We will appreciate it if you will indicate your approval of the expansion of the Unit to include the additional 40 acre tract on the basis herein proposed by signing and returning to us the extra copy of this letter so indicating.

Very truly yours,

Anadarko Production Company

*C. W. Stumhoffer*

C. W. Stumhoffer  
Superintendent  
Secondary Recovery Division

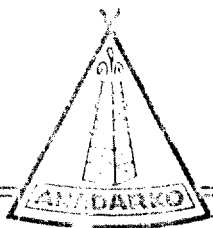
CWS/JF/hb

APPROVED:

Company Minutex Oil Company

By *W. H. Holloman Jr.* Pres

Date September 25, 1967



# ANADARKO PRODUCTION COMPANY

3109 WINTHROP AVENUE P. O. BOX 9317 FORT WORTH, TEXAS 76107  
CABLE ADDRESS: ANADARK

September 1, 1967

To: Working Interest Owners  
Pearsall Queen Sand Unit  
Lea County, New Mexico

Pearsall Queen Sand Unit  
Lea County, New Mexico

Gentlemen:

The Working Interest Owners of the Pearsall Queen Sand Unit, Lea County, New Mexico acquired, in the same proportions as their present ownership in said Unit, the Operating Rights in and to Federal Lease LC 059255 to a depth of 5,000 feet from surface, insofar as said lease covers the NE/4 SW/4 Section 4, Township 18 South, Range 32 East, Lea County, New Mexico.

The Working Interest Owners of the Pearsall Queen Sand Unit desire to expand said Unit to include said NE/4 SW/4 Section 4, 18 South, Range 32 East in order to use the well thereon as an Injection Well for the Unit. It is proposed to allocate to said tract, which is to be numbered Tract 16 of the Unit, a Unit participation of 1.278772%.

It is proposed that the Unit be expanded to include said tract of land in accordance with Section 4 of the Unit Agreement which requires the approval of 90% of the Working Interest Owners. We will appreciate it if you will indicate your approval of the expansion of the Unit to include the additional 40 acre tract on the basis herein proposed by signing and returning to us the extra copy of this letter so indicating.

Very truly yours,

Anadarko Production Company

*C. W. Stumhoffer*

C. W. Stumhoffer  
Superintendent  
Secondary Recovery Division

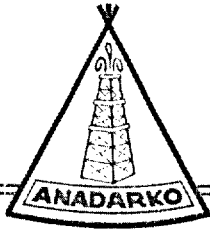
CWS/JF/hb

APPROVED:

Company Working Interest Owners

By E. R. D. Johnson

Date 9-25-1967



# ANADARKO PRODUCTION COMPANY

3109 WINTHROP AVENUE P. O. BOX 9317 FORT WORTH, TEXAS 76107  
CABLE ADDRESS: ANDARK

September 1, 1967

To: Working Interest Owners  
Pearsall Queen Sand Unit  
Lea County, New Mexico

Pearsall Queen Sand Unit  
Lea County, New Mexico

Gentlemen:

The Working Interest Owners of the Pearsall Queen Sand Unit, Lea County, New Mexico acquired, in the same proportions as their present ownership in said Unit, the Operating Rights in and to Federal Lease LC 059255 to a depth of 5,000 feet from surface, insofar as said lease covers the NE/4 SW/4 Section 4, Township 18 South, Range 32 East, Lea County, New Mexico.

The Working Interest Owners of the Pearsall Queen Sand Unit desire to expand said Unit to include said NE/4 SW/4 Section 4, 18 South, Range 32 East in order to use the well thereon as an Injection Well for the Unit. It is proposed to allocate to said tract, which is to be numbered Tract 16 of the Unit, a Unit participation of 1.278772%.

It is proposed that the Unit be expanded to include said tract of land in accordance with Section 4 of the Unit Agreement which requires the approval of 90% of the Working Interest Owners. We will appreciate it if you will indicate your approval of the expansion of the Unit to include the additional 40 acre tract on the basis herein proposed by signing and returning to us the extra copy of this letter so indicating.

Very truly yours,

Anadarko Production Company

*C. W. Stumhoffer*

C. W. Stumhoffer  
Superintendent  
Secondary Recovery Division

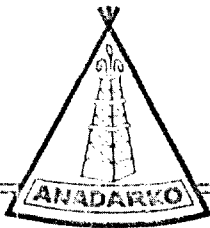
CWS/JF/hb

APPROVED:

Company Reading & Bates, Inc.

By *Bill M. Barnes*

Date September 8, 1967



**ANADARKO PRODUCTION COMPANY**

3109 WINTHROP AVENUE P. O. BOX 9317 FORT WORTH, TEXAS 76107  
CABLE ADDRESS: ANADARK

September 1, 1967

To: Working Interest Owners  
Pearsall Queen Sand Unit  
Lea County, New Mexico

Pearsall Queen Sand Unit  
Lea County, New Mexico

Gentlemen:

The Working Interest Owners of the Pearsall Queen Sand Unit, Lea County, New Mexico acquired, in the same proportions as their present ownership in said Unit, the Operating Rights in and to Federal Lease LC 059255 to a depth of 5,000 feet from surface, insofar as said lease covers the NE/4 SW/4 Section 4, Township 18 South, Range 32 East, Lea County, New Mexico.

The Working Interest Owners of the Pearsall Queen Sand Unit desire to expand said Unit to include said NE/4 SW/4 Section 4, 18 South, Range 32 East in order to use the well thereon as an Injection Well for the Unit. It is proposed to allocate to said tract, which is to be numbered Tract 16 of the Unit, a Unit participation of 1.278772%.

It is proposed that the Unit be expanded to include said tract of land in accordance with Section 4 of the Unit Agreement which requires the approval of 90% of the Working Interest Owners. We will appreciate it if you will indicate your approval of the expansion of the Unit to include the additional 40 acre tract on the basis herein proposed by signing and returning to us the extra copy of this letter so indicating.

Very truly yours,

Anadarko Production Company

*C. W. Stumhoffer*

C. W. Stumhoffer  
Superintendent  
Secondary Recovery Division

CWS/JF/hb

APPROVED:

Company YATES PETROLEUM CORPORATION

By *S. P. Yates*  
President

Date Sept. 14, 1967

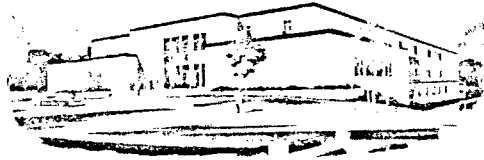
APPROVED:

*S. P. Yates*  
S. P. YATES

Date: Sept. 14, 1967

State of New Mexico

3004



Commissioner of Public Lands

CURTIS B. RAYS  
COMMISSIONER



P. O. BOX 1148  
SANTA FE, NEW MEXICO

October 16, 1967

Anadarko Production Company  
P. O. Box 9317  
Fort Worth, Texas, 76107

Re: Final Approval of the  
Expansion to the Pearsall  
Queen Sand Unit,  
Lea County, New Mexico

ATTENTION: Mr. C. W. Stumhoffer

Gentlemen:

The Commissioner of Public lands has this date given final approval to the Expansion of the Pearsall Queen Sand Unit, Lea County, New Mexico, to include Tract 16, which covers the NE/4SW/4 of Section 4, Township 18 South, Range 32 East of Federal land, this approval being subject to like approval by the United States Geological Survey and the New Mexico Oil Conservation Commission.

As per your request we are furnishing one approved copy to the Director, United States Geological Survey and one approved copy to the Oil Conservation Commission, also two approved copies to you with certificates of approval attached.

Please remit a Five (\$5.00) Dollar filing fee for the filing of these documents.

Exhibits A, B. and C revised have also been accepted by this office effective October 1, 1967.

Oct 17 1967



Anadarko Production Company  
Pearsall Queen Sand Unit  
October 16, 1967  
Page 2.

Very truly yours,

GUYTON B. HAYS  
COMMISSIONER OF PUBLIC LANDS

BY:  
Ted Bilberry, Director  
Oil and Gas Department

GBH/TE/EL/s  
encls.

cc: USGS-Roswell, New Mexico  
OCC- Santa Fe, New Mexico

Anadarko Production Company  
P. O. Box 9317  
Fort Worth, Texas

October 4, 1967

Director  
United States Geological Survey  
Drawer 1057  
Roswell, New Mexico

Expansion of Pearsall Queen Sand Unit  
to include Tract 16 - Anadarko Production  
Company et al Federal Love Lease  
NE/4 SW/4 Section 4, T-18S, R-32E  
Lea County, New Mexico

Dear Sir:

Enclosed for your approval are eight (8) copies of an Application for Expansion of the Pearsall Queen Sand Unit area to include Tract 16 above described. We will appreciate it if you will furnish one approved copy to the Oil Conservation Commission and one approved copy to the Commissioner of Public Lands and two approved copies to Anadarko Production Company.

We are submitting this Application for Expansion to the Commissioner of Public Lands and the Oil Conservation Commission for their approval and are requesting that each send an approved copy direct to your office.

A Notice of the proposed Expansion of the Unit area for the Pearsall Queen Sand Unit was mailed on September 1, 1967 to the Supervisor, the Commissioner, each Working Interest Owner and Overriding Royalty Interest Owner in the Unit and in Tract 16 above described. Thirty days have elapsed since the mailing of said Notice and no objections to the proposed Expansion have been received.

The ownership of the Working Interest in said Tract 16 is identical to the present Working Interest Ownership of the Pearsall

Page #2  
Director  
United States Geological Survey

Queen Sand Unit. One hundred percent of the Working Interest Owners of Tract 16, above described, have approved said Expansion of the Unit area, and we enclose herewith copies of our letters of September 1, 1967 whereon the Working Interest Owners have so approved. The royalty under Tract 16 is owned by the United States of America, and the only other outstanding interest is a 1% overriding royalty, the owner of which we have not been able to locate to solicit joinder to the Unit.

Four copies of the Pearsall Queen Sand Unit Agreement Exhibits A, B, and C revised on June 1, 1967 to become effective October 1, 1967 are enclosed for your file.

Should you require additional data please advise.

Very truly yours,

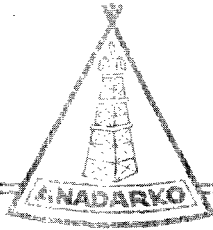
Original Signed By  
C. W. Stumhoffer

C. W. Stumhoffer  
Superintendent  
Secondary Recovery Division

CWS/hb

bcc:  
Oil Conservation Commission ✓  
State of New Mexico  
P. O. Box 2088  
Santa Fe, New Mexico

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



# ANADARKO PRODUCTION COMPANY

3109 WINTHROP AVENUE P. O. BOX 9317 FORT WORTH, TEXAS 76107

CABLE ADDRESS: ANDARK

October 4, 1967

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

Expansion of Pearsall Queen Sand Unit  
to include Tract 16 - Anadarko Production  
Company et al Federal Love Lease  
NE/4 SW/4 Section 4, T-18S, R-32E  
Lea County, New Mexico

Gentlemen:

Enclosed for your approval are six (6) copies of an Application for Expansion of the Pearsall Queen Sand Unit area to include Tract 16 above described. We will appreciate it if you will furnish one approved copy to the Director, United States Geological Survey and one approved copy to the Oil Conservation Commission, and two approved copies to Anadarko Production Company.

We are submitting this Application for Expansion to the Director, United States Geological Survey and the Oil Conservation Commission for their approval, and are requesting that each send an approved copy direct to your office.

A Notice of the proposed Expansion of the Unit area for the Pearsall Queen Sand Unit was mailed on September 1, 1967 to the Supervisor, the Commissioner, each Working Interest Owner and Overriding Royalty Interest Owner in the Unit and in Tract 16 above described. Thirty days have elapsed since the mailing of said Notice and no objections to the proposed Expansion have been received.

The ownership of the Working Interest in said Tract 16 is identical to the present Working Interest Ownership of the Pearsall

AFFIDAVIT OF MAILING

C. W. Stumhoffer, of lawful age, being first duly sworn, deposes and says:

That on September 1, 1967, he mailed a copy of the attached Notice of Proposed Change of Area to each of the lessors and lessees affected in the Pearsall Queen Sand Unit, Lea County, New Mexico, at their last known address, by depositing said notice in the United States Mail with postage thereon fully paid. A copy of said Notice was also likewise mailed to the lessors and lessees affected in the NE/4 SW/4 Section 4, 18S, 32E, Lea County, New Mexico.

Dated October 6, 1967

---

C. W. Stumhoffer

Subscribed and sworn to before me this 6th day of October, 1967.

Hazel Bird  
Notary Public in and for Tarrant County,  
Texas

My Commission Expires:

NOTICE OF PROPOSED CHANGE OF AREA  
PEARSALL QUEEN SAND UNIT  
LEA COUNTY, NEW MEXICO

September 1, 1967

Working Interest Owners  
Overriding Royalty Interest Owners  
Commissioner of Public Land of  
The State of New Mexico  
Supervisor, United States Geological  
Survey

Ninety percent of the Working Interest Owners of the Pearsall Queen Sand Unit, Lea County, New Mexico have agreed, in accordance with Section 4 of the Unit Agreement, to expand said Unit to include the Operating Rights in and to Federal Lease LC 059255, to a depth of 5,000 feet from the surface, insofar as said lease covers NE/4 SW/4 Section 4, 18 South, 32 East, Lea County, New Mexico. Said Working Interest Owners are the owners of said operating rights in the same proportions as their present ownership of said Unit.

There is located on the NE/4 SW/4 of said Section 4, an old well known as Maljamar Petroleum's No. 1 Federal Love. It is most desirable for said 40 acre tract to be included in the Unit in order that the old well may be used as a water injection well for the Unit.

The basis of participation in the Unit for said 40 acres was determined in accordance with the Phase II Tract Participation Formula in Section 12 of the Unit Agreement.

$$\frac{1}{8} \times \frac{\text{Tract Productive Surface Acres}}{\text{Total Unit Productive Surface Acres}} = \frac{40}{920} \times 100 \text{ plus}$$

$$\frac{1}{8} \times \frac{\text{Tract Usable Wells}}{\text{Total Unit Usable Wells}} = \frac{1}{17} \times 100 = 1.278772\%$$

You are hereby notified that thirty days from the date hereof will be allowed for submission to the Unit Operator of any objection for this proposed expansion.

The proposed effective date of expansion is October 1, 1967 which is the first day of the month subsequent to this notice.

The 40 acre tract to be added to the Unit will be assigned Tract No. 16 in the Unit.

Very truly yours,


ANADARKO PRODUCTION COMPANY

By C. W. Stumhoffer  
C. W. Stumhoffer  
Superintendent  
Secondary Recovery Division

Pursuant to the authority vested in the Commissioner of Public Lands of the State of New Mexico by Act of the Legislature ( Chap. 88, Laws 1943), the foregoing Application for Expansion of the Pearsall Queen Sand Unit Area is hereby approved. Such expansion shall be effective October 1, 1967, which is the first day of the month subsequent to the notice.

DATE

October 16, 1967

  
COMMISSIONER OF PUBLIC LANDS  
STATE OF NEW MEXICO

SEP 27 1967

APPLICATION  
FOR APPROVAL OF UNIT EXPANSION  
PEARSALL QUEEN SAND UNIT

RECEIVED  
OCT 9 10 04 AM '67  
STATE LAND OFFICE  
SANTA FE, N.M.

Director,  
United States Geological Survey  
c/o Regional Oil and Gas Supervisor  
P. O. Box 1857  
Roswell, New Mexico

The Honorable Guyton Hays  
Commissioner of Public Lands  
P. O. Box 791  
Santa Fe, New Mexico

New Mexico Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico  
Attention: Mr. A. L. Porter, Jr.  
Secretary-Director

Gentlemen:

Anadarko Production Company, as Operator of the Pearsall Queen Sand Unit, hereby requests approval to expand the Pearsall Queen Sand Unit by adding thereto Tract No. 16, Anadarko Production Company, et al Federal Love Lease (Serial No. LC 059255) consisting of the NE/4 SW/4 Section 4, T-18S, R-32E, Lea County, New Mexico. Said expansion is proposed to be accomplished under the provisions of Section 4 of the Pearsall Queen Sand Unit Agreement that was effective November 1, 1964. The procedures outlined by said Unit Agreement have been carried out as follows:

1. Anadarko Production Company purchased the operating rights to a depth of 5,000 feet in and to Federal Lease LC 059255 covering the NE/4 of SW/4 Section 4, T-18S, R-32E, Lea County, New Mexico for the account of the Working Interest Owners of the Pearsall Queen Sand Unit for the purpose of utilizing the old well located thereon and formerly known as the Maljamar Petroleum Products, Inc. Federal Love No. 1 Well as an injection well for the Unit. An assignment of said operating rights has been made by Anadarko Production Company to the present Working Interest Owners of the Pearsall Queen Sand Unit in proportion to their present fractional ownership in the Unit and said Assignment of operating rights has been approved by the Bureau of Land Management. A letter ballot dated September 1, 1967 was submitted to



Page #2

Application for Approval of Unit  
Expansion - Pearsall Queen Sand  
Unit, Lea County, New Mexico

RECEIVED

OCT 9 10 04 AM '67

STATE LAND OFFICE  
SANTA FE, N. M.

the Working Interest Owners of the Pearsall Queen Sand Unit, soliciting their approval of the Expansion of the Unit to include Tract 16 above described, and 100% of said Working Interest Owners have approved said Expansion.

2. Preliminary concurrence of the proposed expansion was given on June 14, 1967 by the Commissioner of Public Lands, and on August 14, 1967 by the Director of the United States Geological Survey.
3. A Notice of the Proposed Expansion of the Pearsall Queen Sand Unit, Lea County, New Mexico dated September 1, 1967 was mailed on said date to the Commissioner, the Supervisor, each Working Interest Owner, Overriding Royalty Interest Owner, Lessee, and Lessor of the Unit and of Tract 16 herein described. Copies of the Notice of Proposed Expansion are enclosed.
4. Since the mailing of said Notice of Proposed Expansion more than 30 days have elapsed and no objection to the Proposed Expansion has been received.
5. Joinders of Working Interest Owners under Tract 16 above described should not be necessary in this case since said owners are identical to the Working Interest Owners of the Unit.

In addition to the attachments described above, there is furnished here- with (1) revised Exhibit A showing revised Unit boundary and tract designation, (2) revised Exhibit B showing relevant data on all tracts within the expanded unit area and (3) revised Exhibit C showing participation of each Working Interest Owner in the expanded Unit.

As stated in the aforementioned Notice of Intent To Expand the Pearsall Queen Sand Unit, the proposed effective date of Expansion is October 1, 1967 which is the first day of the month subsequent to the Notice.

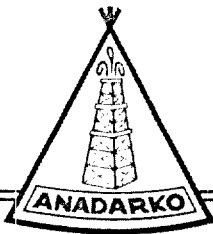
Wherefore, Anadarko Production Company respectfully requests approval of the expansion of the Pearsall Queen Sand Unit as outlined above.

Respectfully submitted,

*C. W. Stumhoffer*

C. W. Stumhoffer  
Superintendent  
Secondary Recovery Division

CWS/hb



# ANADARKO PRODUCTION COMPANY

3109 WINTHROP AVENUE P. O. BOX 9317 FORT WORTH, TEXAS 76107  
CABLE ADDRESS: ANDARK

September 1, 1967

To: Working Interest Owners  
Pearsall Queen Sand Unit  
Lea County, New Mexico

Pearsall Queen Sand Unit  
Lea County, New Mexico

RECEIVED  
OCT 9 10 12 AM '67  
STATE LAND OFFICE  
SANTA FE, N.M.

Gentlemen:

The Working Interest Owners of the Pearsall Queen Sand Unit, Lea County, New Mexico acquired, in the same proportions as their present ownership in said Unit, the Operating Rights in and to Federal Lease LC 059255 to a depth of 5,000 feet from surface, insofar as said lease covers the NE/4 SW/4 Section 4, Township 18 South, Range 32 East, Lea County, New Mexico.

The Working Interest Owners of the Pearsall Queen Sand Unit desire to expand said Unit to include said NE/4 SW/4 Section 4, 18 South, Range 32 East in order to use the well thereon as an Injection Well for the Unit. It is proposed to allocate to said tract, which is to be numbered Tract 16 of the Unit, a Unit participation of 1.278772%.

It is proposed that the Unit be expanded to include said tract of land in accordance with Section 4 of the Unit Agreement which requires the approval of 90% of the Working Interest Owners. We will appreciate it if you will indicate your approval of the expansion of the Unit to include the additional 40 acre tract on the basis herein proposed by signing and returning to us the extra copy of this letter so indicating.

Very truly yours,

Anadarko Production Company

*C. W. Stumhoffer*

C. W. Stumhoffer  
Superintendent  
Secondary Recovery Division

CWS/JF/hb

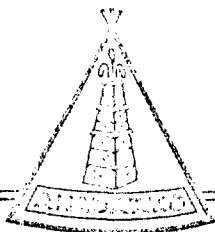
APPROVED:

Company Anadarko Production Company

By *C. W. Stumhoffer*

Superintendent Secondary Recovery Div.

Date September 5, 1967



ANADARKO PRODUCTION COMPANY

3109 WINTHROP AVENUE P. O. BOX 9317 FORT WORTH, TEXAS 76107  
CABLE ADDRESS: ANDARK

September 1, 1967

To: Working Interest Owners  
Pearsall Queen Sand Unit  
Lea County, New Mexico

Pearsall Queen Sand Unit  
Lea County, New Mexico

RECEIVED  
OCT 9 10 12 AM '67  
STATE LAND OFFICE  
SANTA FE, N.M.

Gentlemen:

The Working Interest Owners of the Pearsall Queen Sand Unit, Lea County, New Mexico acquired, in the same proportions as their present ownership in said Unit, the Operating Rights in and to Federal Lease LC 059255 to a depth of 5,000 feet from surface, insofar as said lease covers the NE/4 SW/4 Section 4, Township 18 South, Range 32 East, Lea County, New Mexico.

The Working Interest Owners of the Pearsall Queen Sand Unit desire to expand said Unit to include said NE/4 SW/4 Section 4, 18 South, Range 32 East in order to use the well thereon as an Injection Well for the Unit. It is proposed to allocate to said tract, which is to be numbered Tract 16 of the Unit, a Unit participation of 1.278772%.

It is proposed that the Unit be expanded to include said tract of land in accordance with Section 4 of the Unit Agreement which requires the approval of 90% of the Working Interest Owners. We will appreciate it if you will indicate your approval of the expansion of the Unit to include the additional 40 acre tract on the basis herein proposed by signing and returning to us the extra copy of this letter so indicating.

Very truly yours,

Anadarko Production Company

*C. W. Stumhoffer*

C. W. Stumhoffer  
Superintendent  
Secondary Recovery Division

CWS/JF/hb

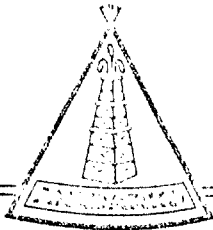
APPROVED:

Company

By

Date

*Henry A. Anderson*  
*K. V. Hall*  
*Sept 25, 67*



ANADARKO PRODUCTION COMPANY

3109 WINTHROP AVENUE P. O. BOX 9317 FORT WORTH, TEXAS 76107  
CABLE ADDRESS: ANDARK

September 1, 1967

To: Working Interest Owners  
Pearsall Queen Sand Unit  
Lea County, New Mexico

Pearsall Queen Sand Unit  
Lea County, New Mexico

Gentlemen:

The Working Interest Owners of the Pearsall Queen Sand Unit, Lea County, New Mexico acquired, in the same proportions as their present ownership in said Unit, the Operating Rights in and to Federal Lease LC 059255 to a depth of 5,000 feet from surface, insofar as said lease covers the NE/4 SW/4 Section 4, Township 18 South, Range 32 East, Lea County, New Mexico.

The Working Interest Owners of the Pearsall Queen Sand Unit desire to expand said Unit to include said NE/4 SW/4 Section 4, 18 South, Range 32 East in order to use the well thereon as an Injection Well for the Unit. It is proposed to allocate to said tract, which is to be numbered Tract 16 of the Unit, a Unit participation of 1.278772%.

It is proposed that the Unit be expanded to include said tract of land in accordance with Section 4 of the Unit Agreement which requires the approval of 90% of the Working Interest Owners. We will appreciate it if you will indicate your approval of the expansion of the Unit to include the additional 40 acre tract on the basis herein proposed by signing and returning to us the extra copy of this letter so indicating.

Very truly yours,

Anadarko Production Company

*C. W. Stumhoffer*

C. W. Stumhoffer  
Superintendent  
Secondary Recovery Division

CWS/JF/hb

APPROVED:

Company

By

Date

*[Signature]*  
*Sept 30, 67*



**ANADARKO PRODUCTION COMPANY**

3109 WINTHROP AVENUE P. O. BOX 9317 FORT WORTH, TEXAS 76107  
CABLE ADDRESS: ANDARK

September 1, 1967

RECEIVED  
OCT 9 10 12 AM '67  
STATE LAND OFFICE  
SANTA FE, N.M.

To: Working Interest Owners  
Pearsall Queen Sand Unit  
Lea County, New Mexico

Pearsall Queen Sand Unit  
Lea County, New Mexico

Gentlemen:

The Working Interest Owners of the Pearsall Queen Sand Unit, Lea County, New Mexico acquired, in the same proportions as their present ownership in said Unit, the Operating Rights in and to Federal Lease LC 059255 to a depth of 5,000 feet from surface, insofar as said lease covers the NE/4 SW/4 Section 4, Township 18 South, Range 32 East, Lea County, New Mexico.

The Working Interest Owners of the Pearsall Queen Sand Unit desire to expand said Unit to include said NE/4 SW/4 Section 4, 18 South, Range 32 East in order to use the well thereon as an Injection Well for the Unit. It is proposed to allocate to said tract, which is to be numbered Tract 16 of the Unit, a Unit participation of 1.278772%.

It is proposed that the Unit be expanded to include said tract of land in accordance with Section 4 of the Unit Agreement which requires the approval of 90% of the Working Interest Owners. We will appreciate it if you will indicate your approval of the expansion of the Unit to include the additional 40 acre tract on the basis herein proposed by signing and returning to us the extra copy of this letter so indicating.

Very truly yours,

Anadarko Production Company

*C. W. Stumhoffer*

C. W. Stumhoffer  
Superintendent  
Secondary Recovery Division

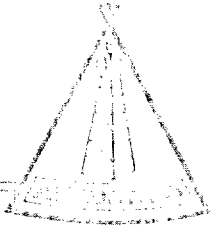
CWS/JF/hb

APPROVED:

Company *Beck & Co*

By *W. M. Beck*

Date *9-5-67*



ANADARKO PRODUCTION COMPANY

3109 WINSTON AVENUE P. O. BOX 9317 FORT WORTH, TEXAS 76107  
CABLE ADDRESS: ANDARK

September 1, 1967

To: Working Interest Owners  
Pearsall Queen Sand Unit  
Lea County, New Mexico

Pearsall Queen Sand Unit  
Lea County, New Mexico

RECEIVED  
OCT 9 10 13 AM '67  
STATE LAND OFFICE  
SANTA FE, N.M.

Gentlemen:

The Working Interest Owners of the Pearsall Queen Sand Unit, Lea County, New Mexico acquired, in the same proportions as their present ownership in said Unit, the Operating Rights in and to Federal Lease LC 059255 to a depth of 5,000 feet from surface, insofar as said lease covers the NE/4 SW/4 Section 4, Township 18 South, Range 32 East, Lea County, New Mexico.

The Working Interest Owners of the Pearsall Queen Sand Unit desire to expand said Unit to include said NE/4 SW/4 Section 4, 18 South, Range 32 East in order to use the well thereon as an Injection Well for the Unit. It is proposed to allocate to said tract, which is to be numbered Tract 16 of the Unit, a Unit participation of 1.278772%.

It is proposed that the Unit be expanded to include said tract of land in accordance with Section 4 of the Unit Agreement which requires the approval of 90% of the Working Interest Owners. We will appreciate it if you will indicate your approval of the expansion of the Unit to include the additional 40 acre tract on the basis herein proposed by signing and returning to us the extra copy of this letter so indicating.

Very truly yours,

Anadarko Production Company

*C. W. Stumhoffer*

OCT 17 1967

C. W. Stumhoffer  
Superintendent  
Secondary Recovery Division

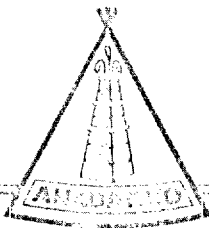
CWS/JF/hb

APPROVED:

Company DIXON & YATES OIL COMPANY

By *J. B. Yates*  
Partner

Date Sept. 14, 1967



# ANADARKO PRODUCTION COMPANY

3109 WINTHROP AVENUE P. O. BOX 9317 FORT WORTH, TEXAS 76107  
CABLE ADDRESS: ANDARK

September 1, 1967

To: Working Interest Owners  
Pearsall Queen Sand Unit  
Lea County, New Mexico

Pearsall Queen Sand Unit  
Lea County, New Mexico

RECEIVED  
OCT 9 10 13 AM '67  
STATE LAND OFFICE  
SANTA FE, N.M.

Gentlemen:

The Working Interest Owners of the Pearsall Queen Sand Unit, Lea County, New Mexico acquired, in the same proportions as their present ownership in said Unit, the Operating Rights in and to Federal Lease LC 059255 to a depth of 5,000 feet from surface, insofar as said lease covers the NE/4 SW/4 Section 4, Township 18 South, Range 32 East, Lea County, New Mexico.

The Working Interest Owners of the Pearsall Queen Sand Unit desire to expand said Unit to include said NE/4 SW/4 Section 4, 18 South, Range 32 East in order to use the well thereon as an Injection Well for the Unit. It is proposed to allocate to said tract, which is to be numbered Tract 16 of the Unit, a Unit participation of 1.278772%.

It is proposed that the Unit be expanded to include said tract of land in accordance with Section 4 of the Unit Agreement which requires the approval of 90% of the Working Interest Owners. We will appreciate it if you will indicate your approval of the expansion of the Unit to include the additional 40 acre tract on the basis herein proposed by signing and returning to us the extra copy of this letter so indicating.

Very truly yours,

OCT 17 1967

Anadarko Production Company

*C. W. Stumhoffer*

C. W. Stumhoffer  
Superintendent  
Secondary Recovery Division

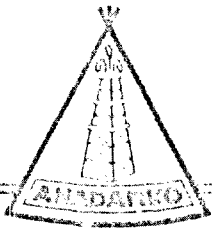
CWS/JF/hb

APPROVED:

Company F. W. Holloway Jr

By F. W. Holloway Jr

Date September 25 1967



# ANADARKO PRODUCTION COMPANY

3109 WINTHROP AVENUE P. O. BOX 9317 FORT WORTH, TEXAS 76107  
CABLE ADDRESS: ANDARK

September 1, 1967

To: Working Interest Owners  
Pearsall Queen Sand Unit  
Lea County, New Mexico

Pearsall Queen Sand Unit  
Lea County, New Mexico

RECEIVED  
OCT 9 10 13 AM '67  
STATE LAND OFFICE  
SANTA FE, N.M.

Gentlemen:

The Working Interest Owners of the Pearsall Queen Sand Unit, Lea County, New Mexico acquired, in the same proportions as their present ownership in said Unit, the Operating Rights in and to Federal Lease LC 059255 to a depth of 5,000 feet from surface, insofar as said lease covers the NE/4 SW/4 Section 4, Township 18 South, Range 32 East, Lea County, New Mexico.

The Working Interest Owners of the Pearsall Queen Sand Unit desire to expand said Unit to include said NE/4 SW/4 Section 4, 18 South, Range 32 East in order to use the well thereon as an Injection Well for the Unit. It is proposed to allocate to said tract, which is to be numbered Tract 16 of the Unit, a Unit participation of 1.278772%.

It is proposed that the Unit be expanded to include said tract of land in accordance with Section 4 of the Unit Agreement which requires the approval of 90% of the Working Interest Owners. We will appreciate it if you will indicate your approval of the expansion of the Unit to include the additional 40 acre tract on the basis herein proposed by signing and returning to us the extra copy of this letter so indicating.

Very truly yours,

Anadarko Production Company

*C. W. Stumhoffer*

C. W. Stumhoffer  
Superintendent  
Secondary Recovery Division

CWS/JF/hb

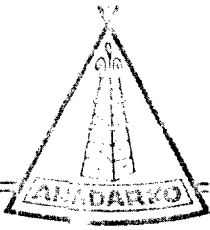
APPROVED:

Company Mintex Oil Company

By L. M. Hollaway Jr. Pres

Date September 25, 1967





# ANADARKO PRODUCTION COMPANY

3109 WINTHROP AVENUE P. O. BOX 9317 FORT WORTH, TEXAS 76107  
CABLE ADDRESS: ANDARK

September 1, 1967

To: Working Interest Owners  
Pearsall Queen Sand Unit  
Lea County, New Mexico

Pearsall Queen Sand Unit  
Lea County, New Mexico

RECEIVED  
OCT 9 10 13 AM '67  
STATE LAND OFFICE  
SANTA FE, N.M.

Gentlemen:

The Working Interest Owners of the Pearsall Queen Sand Unit, Lea County, New Mexico acquired, in the same proportions as their present ownership in said Unit, the Operating Rights in and to Federal Lease LC 059255 to a depth of 5,000 feet from surface, insofar as said lease covers the NE/4 SW/4 Section 4, Township 18 South, Range 32 East, Lea County, New Mexico.

The Working Interest Owners of the Pearsall Queen Sand Unit desire to expand said Unit to include said NE/4 SW/4 Section 4, 18 South, Range 32 East in order to use the well thereon as an Injection Well for the Unit. It is proposed to allocate to said tract, which is to be numbered Tract 16 of the Unit, a Unit participation of 1.278772%.

It is proposed that the Unit be expanded to include said tract of land in accordance with Section 4 of the Unit Agreement which requires the approval of 90% of the Working Interest Owners. We will appreciate it if you will indicate your approval of the expansion of the Unit to include the additional 40 acre tract on the basis herein proposed by signing and returning to us the extra copy of this letter so indicating.

Very truly yours,

Anadarko Production Company

*C. W. Stumhoffer*

C. W. Stumhoffer  
Superintendent  
Secondary Recovery Division

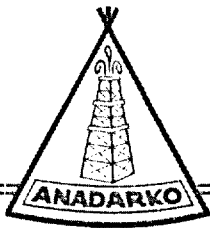
CWS/JF/hb

APPROVED:

Company Working Interest Owners

By C. R. D. Jordan

Date 9-25-1967



# ANADARKO PRODUCTION COMPANY

3109 WINTHROP AVENUE P. O. BOX 9317 FORT WORTH, TEXAS 76107  
CABLE ADDRESS: ANDARK

September 1, 1967

To: Working Interest Owners  
Pearsall Queen Sand Unit  
Lea County, New Mexico

Pearsall Queen Sand Unit  
Lea County, New Mexico

RECEIVED  
OCT 9 10 13 AM '67  
STATE LAND OFFICE  
SANTA FE, N.M.

Gentlemen:

The Working Interest Owners of the Pearsall Queen Sand Unit, Lea County, New Mexico acquired, in the same proportions as their present ownership in said Unit, the Operating Rights in and to Federal Lease LC 059255 to a depth of 5,000 feet from surface, insofar as said lease covers the NE/4 SW/4 Section 4, Township 18 South, Range 32 East, Lea County, New Mexico.

The Working Interest Owners of the Pearsall Queen Sand Unit desire to expand said Unit to include said NE/4 SW/4 Section 4, 18 South, Range 32 East in order to use the well thereon as an Injection Well for the Unit. It is proposed to allocate to said tract, which is to be numbered Tract 16 of the Unit, a Unit participation of 1.278772%.

It is proposed that the Unit be expanded to include said tract of land in accordance with Section 4 of the Unit Agreement which requires the approval of 90% of the Working Interest Owners. We will appreciate it if you will indicate your approval of the expansion of the Unit to include the additional 40 acre tract on the basis herein proposed by signing and returning to us the extra copy of this letter so indicating.

Very truly yours,

Anadarko Production Company

*C. W. Stumhoffer*

C. W. Stumhoffer  
Superintendent  
Secondary Recovery Division

CWS/JF/hb

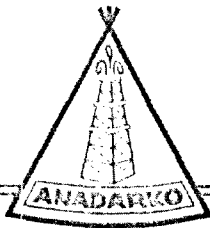
APPROVED:

Company Reading & Bates, Inc.

By Bill M. Burch

Date September 8, 1967

OCT 17 11 00 AM '67



# ANADARKO PRODUCTION COMPANY

3109 WINTHROP AVENUE P. O. BOX 9317 FORT WORTH, TEXAS 76107  
CABLE ADDRESS: ANOARK

September 1, 1967

To: Working Interest Owners  
Pearsall Queen Sand Unit  
Lea County, New Mexico

Pearsall Queen Sand Unit  
Lea County, New Mexico

RECEIVED  
OCT 9 10 13 AM '67  
STATE LAND OFFICE  
SANTA FE, N.M.

Gentlemen:

The Working Interest Owners of the Pearsall Queen Sand Unit, Lea County, New Mexico acquired, in the same proportions as their present ownership in said Unit, the Operating Rights in and to Federal Lease LC 059255 to a depth of 5,000 feet from surface, insofar as said lease covers the NE/4 SW/4 Section 4, Township 18 South, Range 32 East, Lea County, New Mexico.

The Working Interest Owners of the Pearsall Queen Sand Unit desire to expand said Unit to include said NE/4 SW/4 Section 4, 18 South, Range 32 East in order to use the well thereon as an Injection Well for the Unit. It is proposed to allocate to said tract, which is to be numbered Tract 16 of the Unit, a Unit participation of 1.278772%.

It is proposed that the Unit be expanded to include said tract of land in accordance with Section 4 of the Unit Agreement which requires the approval of 90% of the Working Interest Owners. We will appreciate it if you will indicate your approval of the expansion of the Unit to include the additional 40 acre tract on the basis herein proposed by signing and returning to us the extra copy of this letter so indicating.

Very truly yours,

Anadarko Production Company

*C. W. Stumhoffer*

C. W. Stumhoffer  
Superintendent  
Secondary Recovery Division

CWS/JF/hb

APPROVED:

Company YATES PETROLEUM CORPORATION

By *S. P. Yates*  
President

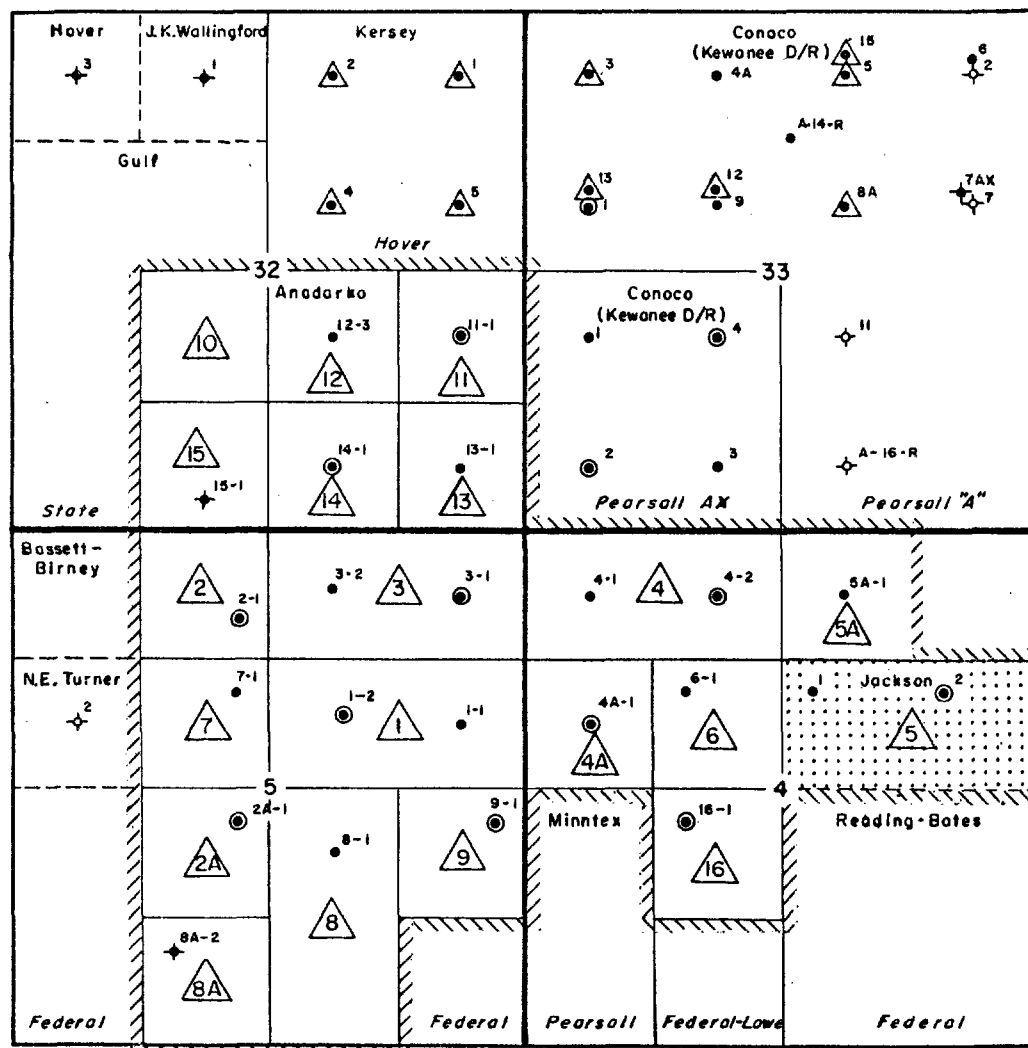
Date Sept. 14, 1967

APPROVED:

*S. P. Yates*  
S. P. YATES

Date: Sept. 14, 1967

R 32 E



T  
17  
S

T  
18  
S

RECEIVED  
OCT 9 10 14 AM '67  
STATE LAND OFFICE  
SANTA FE, N.M.

LEGEND

- - Queen
- ▲ - Grayburg
- ⊙ - Water Injection Well
- ✦ - Plugged & Abandoned
- ⋯ - Non Participating tract
- - Unit Boundary
- ② - Tract Number

Rev. 6-1-67  
Effective: October 1, 1967

EXHIBIT "A" TO UNIT AGREEMENT  
PEARSALL QUEEN SAND UNIT

LEA COUNTY, NEW MEXICO



EXHIBIT "B"  
PEARSALE QUEEN SAND UNIT  
LEA COUNTY, NEW MEXICO

SCHEDULE OF OWNERSHIP

| TRACT<br>NUMBER      | DESCRIPTION                              | NUMBER OF<br>ACRES | SERIAL NO. &<br>LEASE DATE | BASIC<br>ROYALTY | LESSEE OF<br>RECORD  | OVERRIDING ROYALTY<br>OWNER AND AMOUNT  | WORKING INTEREST<br>OWNER AND AMOUNT                    |
|----------------------|--|--------------------|----------------------------|------------------|--|---|---|
| <u>Federal Lands</u> |  |                    |                            |                  |  |   |   |
| 1                    | S/2 NE/4<br>Section 5-T18S-R32E          | 80.00              | LC-029403 (a)<br>12-1-59   | Schedule<br>"C"  | Roy H. Smith & Hugh<br>L. Johnson, Jr. DBA<br>Roy H. Smith Drilling<br>Company | M.E. Baish -1½%<br>Martin Yates III -1 %<br>Irene E. Walker -2½%<br>William E. Walker -1½%<br>Elaine M. Walker -1½%<br>\$110,000.00 PP out of<br>25% of the WI to Roy H.<br>Smith.<br>After Payout of above<br>PP a \$25,000.00 PP shall<br>Commence out of 12½% of<br>the WI to Roy H. Smith | Anadarko Production<br>Company - 100%<br>(to 5,000 ft.) |
| 2                    | Lot 3 (NE/4 NW/4)<br>Section 5-T18S-R32E | 40.08              | LC-029403 (b)<br>11-1-61   | Schedule<br>"D"  | Hugh L. Johnson, Jr.<br>& Roy H. Smith DBA<br>Roy H. Smith Drilling<br>Company | Subject to the \$110,000.00<br>and \$25,000.00 PP described<br>under Tract 1 above  | Anadarko Production<br>Company - 100%<br>(to 5,000 ft.) |
| 2-A                  | NE/4 SW/4<br>Section 5-T18S-R32E         | 40.00              | LC-029403 (b)<br>11-1-61   | Schedule<br>"D"  | Hugh L. Johnson, Jr.<br>& Roy H. Smith DBA<br>Roy H. Smith Drilling<br>Company | Subject to the \$110,000.00<br>and \$25,000.00 PP described<br>under Tract 1 above  | Anadarko Production<br>Company - 100%<br>(to 5,000 ft.) |

RECEIVED  
OCT 6 1967  
SANTA FE, N.M.  
STATE LAND AND OFFICE

EXHIBIT "B" (Cont.)  
PEARSALL QUEEN SAND UNIT  
LEA COUNTY, NEW MEXICO

SCHEDULE OF OWNERSHIP

| TRACT<br>NUMBER | DESCRIPTION                                       | NUMBER OF<br>ACRES | SERIAL NO. &<br>LEASE DATE | BASIC<br>ROYALTY | LESSEE OF<br>RECORD                                       | OVERRIDING ROYALTY<br>OWNER AND AMOUNT   | WORKING INTEREST<br>OWNER AND AMOUNT                             |
|-----------------|---|--------------------|----------------------------|------------------|---|--|--|
| 3               | Lots 1 and 2<br>(N/2 NE/4)<br>Section 5-T18S-R32E | 80.21              | LC-061155 (a)<br>12-1-59   | Schedule<br>"C"  | Frank Brock & R.T.<br>Brock DBA Brock<br>Drilling Company | M.E. Baish -1½%<br>Martin Yates III -1 %<br>Irene E. Walker -2½%<br>Wm. E. Walker -1½%<br>Elaine M. Walker -1½%<br>\$66,000.00 PP out of<br>25% of the WI to:<br>1/2 - Frank Brock<br>1/2 - R.T. Brock<br>After payout of above<br>PP a \$14,000.00 PP shall<br>commence out of 12½% of<br>the WI to:<br>1/2 - Frank Brock<br>1/2 - R.T. Brock | Anadarko Production<br>Company - 100%<br>(to base of Queen Sand) |

|   |   |       |                      |                 |   |   |  |
|---|---|-------|----------------------|-----------------|---|---|--|
| 4 | Lots 3 and 4<br>(N/2 NW/4)<br>Section 4-T18S-R32E | 80.47 | LC-063345<br>11-1-60 | Schedule<br>"D" | Frank Brock<br>R.T. Brock<br>Albert Hunter Utter,<br>Executor of Estate<br>of Alpha Mcatee,<br>Deceased | Brook Drilling Company 1/16<br>of WI.<br>Security-First Nat. Bank of<br>Los Angeles, Trustee 1/16<br>of WI.<br>\$99,000.00 PP out of 25% of<br>WI to:<br>1/4 - Frank Brock<br>1/4 - R.T. Brock<br>1/2 - Albert H. Utter, Executor<br>of Estate of Alpha Mcatee, Deceased.<br>After payout of above PP, a<br>\$21,000.00 PP shall commence<br>out of 12½% of the WI to:<br>1/4 - Frank Brock<br>1/4 - R.T. Brock<br>1/2 - Albert Hunter Utter,<br>Executor of Estate of Alpha Mcatee,<br>Deceased. | Anadarko Production<br>Company - 100%<br>(to base of Queen Sand) |
|---|---|-------|----------------------|-----------------|---|---|--|

W.N.S. VAINAS  
30100 DNV7 E1A1S  
29. NW 91 01 6 130  
DEAD/303ER

EXHIBIT "B" (Cont.)  
 PEARSCALL QUEEN SAND UNIT  
 LEA COUNTY, NEW MEXICO

| SCHEDULE OF OWNERSHIP |  |                    |                            |                  |   |  |
|-----------------------|--|--------------------|----------------------------|------------------|---|--|
| TRACT<br>NUMBER       | DESCRIPTION                              | NUMBER OF<br>ACRES | SERIAL NO. &<br>LEASE DATE | BASIC<br>ROYALTY | LESSEE OF<br>RECORD   | OVERRIDING ROYALTY<br>OWNER AND AMOUNT   |
| 4-A                   | SW/4 NW/4<br>Section 4-T18S-R32E         | 40.00              | LC-063345<br>11-1-60       | Schedule<br>"D"  | Frank Brock<br>R.T. Brock<br>Albert Hunter Utter,<br>Executor of Estate<br>of Alpha McAttee<br>Deceased | Subject to the same<br>\$99,000.00 and \$21,000.00<br>PP as described under<br>Tract 4   |
|                       |  |                    |                            |                  |   | Anadarko Production<br>Company - 100%<br>(To base of Queen Sand)   |
| 5                     | S/2 NE/4<br>Section 4-T18S-R32E          | 80.00              | LC-061840<br>11-1-60       | Schedule<br>"C"  | B.M. Jackson  | B.M. Jackson - 100%  |
|                       |  |                    |                            |                  | J.H. Morris,<br>Agent<br>South Central Enterprises  | -5%<br>-5%   |
| 5-A                   | Lot 2 (NW/4 NE/4)<br>Section 4-T18S-R32E | 40.41              | LC-061840 (A)<br>11-1-60   | Schedule<br>"D"  | Minttex Oil Company   | -5%  |
|                       |  |                    |                            |                  | J.H. Morris, Agent  | Minttex Oil Co. 50%<br>Beard Oil Co. 25%<br>F.W. Holloway, Jr. 13-3/4%<br>E.R. Monson 5%<br>K.V. Dahl 2-1/12%<br>Janice Lee Ballard<br>Anderson 4-1/6% |
| 6                     | SE/4 NW/4<br>Section 4-T18S-R32E         | 40.00              | LC-060503<br>11-1-60       | Schedule<br>"D"  | Virginia Woods Shaw   | 1.25%  |
|                       |  |                    |                            |                  | Virginia Woods Shaw<br>Charlotte Woods<br>Runyon  | 1.25%  |
|                       |  |                    |                            |                  | Emily Woods Ray<br>Mary Katherine Fowles  | 1.25%<br>1.25%   |
| 7                     | SE/4 NW/4<br>Section 5-T18S-R32E         | 40.00              | NM-016795<br>2-1-55        | Schedule<br>"B"  | Anadarko Production Co.   | NONE   |
|                       |  |                    |                            |                  |   | Anadarko Production<br>Company - 100%<br>(to 5,000 ft.)  |

W.M. JAINES  
 RECORDS OFFICE  
 LEA COUNTY, N.M.  
 29, NW 41 01 6 130  
 03AM1303B

EXHIBIT "B" (Cont.)  
PEARSALL QUEEN SAND UNIT  
LEA COUNTY, NEW MEXICO

SCHEDULE OF OWNERSHIP

| TRACT<br>NUMBER   | DESCRIPTION                       | NUMBER OF<br>ACRES | SERIAL NO. &<br>LEASE DATE | BASIC<br>ROYALTY | LESSEE OF<br>RECORD   | OVERRIDING ROYALTY<br>OWNER AND AMOUNT  | WORKING INTEREST<br>OWNER AND AMOUNT  |
|---|-----------------------------------|--------------------|----------------------------|------------------|---|---|---|
| 8   | W/2 SE/4<br>Section 5-T18S-R32E   | 80.00              | LC-064098<br>12-1-59       | Schedule<br>"C"  | C.N. Ochiltree<br>by Margaret Bass<br>Ochiltree, Administra-<br>trix of Estate of C.N.<br>Ochiltree, Deceased | M.E. Baish<br>Martin Yates III<br>Irene E. Walker<br>Wm. E. Walker<br>Elaine M. Walker<br>-1½%<br>-1%<br>-2½%<br>-1½%<br>-1½%   | Anadarko Production<br>Company - 100%<br>(to 5,000 ft.)                               |
| Subject to the \$110,000.00 and<br>\$25,000.00 PP described under<br>Tract 1. |                                   |                    |                            |                  |   |   |   |
| 8-A   | SE/4 SW/4<br>Section 5-T18S-R32E  | 40.00              | LC-064098<br>12-1-59       | 12½%             | C.N. Ochiltree<br>by Margaret Bass<br>Ochiltree, Administra-<br>trix of Estate of C.N.<br>Ochiltree, Deceased | M.E. Baish<br>Martin Yates III<br>Irene E. Walker<br>Wm. E. Walker<br>Elaine M. Walker<br>-1½%<br>-1%<br>-2½%<br>-1½%<br>-1½%   | Anadarko Production<br>Company - 100%<br>(to 5,000 ft.)                               |
| Subject to the \$110,000.00 and<br>\$25,000.00 PP described under<br>Tract 1. |                                   |                    |                            |                  |   |   |   |
| 9   | NE/4 SE/4<br>Section 5-T18S-R32E  | 40.00              | LC-061153<br>12-1-59       | Schedule<br>"C"  | Virginia Woods Shaw   | M.E. Baish<br>Martin Yates III<br>Irene E. Walker<br>Elaine M. Walker<br>Wm. E. Walker<br>Virginia Woods Shaw-5%<br>(to 5,000 ft.)<br>-1½%<br>-1%<br>-2½%<br>-1½%<br>-1½% | Anadarko Production<br>Company - 100%<br>(to 5,000 ft.)                               |
| 10  | NE/4 SW/4<br>Section 32-T17S-R32E | 40.00              | B-6768                     | 12½%             | Yates Petroleum Corp.   | Ada M. Trostel<br>* Yates Bros.<br>3%<br>4.1666%  | S.P. Yates 33 1/3%<br>Dixon & Yates 33 1/3%<br>Yates Petroleum<br>Corporation 33 1/3% |

\* This ORR comes out of Yates Petroleum Corporation Working Interest only



EXHIBIT "B" (Cont.)  
 PEARSALL QUEEN SAND UNIT  
 LEA COUNTY, NEW MEXICO

SCHEDULE OF OWNERSHIP

| TRACT<br>NUMBER | DESCRIPTION                       | NUMBER OF<br>ACRES | SERIAL NO. &<br>LEASE DATE | BASIC<br>ROYALTY | LESSEE OF<br>RECORD   | OVERRIDING ROYALTY<br>OWNER AND AMOUNT               | WORKING INTEREST<br>OWNER AND AMOUNT  |
|-----------------|-----------------------------------|--------------------|----------------------------|------------------|-----------------------|--|---|
| 11              | NE/4 SE/4<br>Section 32-T17S-R32E | 40.00              | B-6768                     | 12½%             | Yates Petroleum Corp. | Laura G. Brown<br>* Yates Brothers 3.125%<br>4.1667% | S.P. Yates 33 1/3%<br>Dixon & Yates 33 1/3%<br>Yates Petroleum Corporation 33 1/3%  |
| 12              | NW/4 SE/4<br>Section 32-T17S-R32E | 40.00              | B-6768                     | 12½%             | Yates Petroleum Corp. | Claude Johnston<br>* Yates Brothers 3%<br>4.1666%    | S.P. Yates 33 1/3%<br>Dixon & Yates 33 1/3%<br>Yates Petroleum Corporation 33 1/3%  |
| 13              | SE/4 SE/4<br>Section 32-T17S-R32E | 40.00              | B-6768                     | 12½%             | Yates Petroleum Corp. | C.H. Malott<br>* Yates Brothers 3%<br>4.1666%        | S.P. Yates 33 1/3%<br>Dixon & Yates 33 1/3%<br>Yates Petroleum Corporation 33 1/3%  |
| 14              | SW/4 SE/4<br>Section 32-T17S-R32E | 40.00              | B-6768                     | 12½%             | Yates Petroleum Corp. | Selina Reese<br>* Yates Bros. 3%<br>4.1666%          | S.P. Yates 33 1/3%<br>Dixon & Yates 33 1/3%<br>Yates Petroleum Corporation 33 1/3%  |
| 15              | SE/4 SW/4<br>Section 32-T17S-R32E | 40.00              | OG-5119<br>2-17-59         | 12½%             | Gulf Oil Corporation  | Gulf Oil Corp. 6.25%                                 | Anadarko Production Company 74.409804<br>Janice Lee Ballard<br>Anderson 00.296377<br>John M. Beard 01.778263<br>K.V. Dahl 00.148188<br>Dixon & Yates 03.643199<br>F.W. Holloway, Jr. 00.978045<br>Mintex Oil Co. 03.556526<br>E.R. Monson 00.355653<br>Reading & Bates 07.547545<br>S.P. Yates 03.643200<br>Yates Petroleum Corporation 03.643200 |

\* This ORR comes out of Yates Petroleum Corporation Working Interest only.

EXHIBIT "B" (Cont.)  
PEARSALL QUEEN SAND UNIT  
LEA COUNTY, NEW MEXICO

SCHEDULE OF OWNERSHIP

| TRACT<br>NUMBER | DESCRIPTION                          | NUMBER OF<br>ACRES | SERIAL NO. &<br>LEASE DATE | BASIC<br>ROYALTY | LESSEE OF<br>RECORD | OVERRIDING ROYALTY<br>OWNER AND AMOUNT | WORKING INTEREST<br>OWNER AND AMOUNT   |
|-----------------|--------------------------------------|--------------------|----------------------------|------------------|---------------------|--|--|
| 16              | NE/4 SW/4<br>Section 4-T18S-<br>R32E | 40.00              | LC-059255<br>11-1-60       | 12½%             | Humble Oil & Ref.   | Mary Weddige Whisenant - 1%            | Anadarko Production<br>Company<br>74.409804<br>Janice Lee Ballard<br>00.296377<br>John M. Beard<br>01.778263<br>K.V. Dahl<br>00.148188<br>Dixon & Yates<br>03.643199<br>F.W. Holloway, Jr.<br>00.978045<br>Muntex Oil Co.<br>03.556526<br>E.R. Monson<br>00.355653<br>Reading & Bates<br>07.547545<br>S.P. Yates<br>03.643200<br>Yates Petroleum<br>Corporation<br>03.643200<br>(to 5,000 ft.) |

W.M. SANTAS  
COUNTY CLERK  
LEA COUNTY, NEW MEXICO  
OCT 10 1967  
DEAN J. COOPER

EXHIBIT "B" (CONT'D)  
PEARSALL QUEEN SAND UNIT  
LEA COUNTY, NEW MEXICO

TOTALS

|    |                            |                |                     |
|----|----------------------------|----------------|---------------------|
| 14 | Federal Tracts             | 761.17 Acres   | 76.03% of Unit Area |
| 6  | State of New Mexico Tracts | 240 Acres      | 23.97% of Unit Area |
|    |                            | 1,001.17 Acres | 100% of Unit Area   |



# ANADARKO PRODUCTION COMPANY

3109 WINTHROP AVENUE P. O. BOX 9317 FORT WORTH, TEXAS 76107

CABLE ADDRESS: ANOARK

October 4, 1967

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

Expansion of Pearsall Queen Sand Unit  
to include Tract 16 - Anadarko Production  
Company et al Federal Love Lease  
NE/4 SW/4 Section 4, T-18S, R-32E  
Lea County, New Mexico

67 OCT 9 1967

Gentlemen:

Enclosed for your approval are five (5) copies of an Application for Expansion of the Pearsall Queen Sand Unit area to include Tract 16 above described. We will appreciate it if you will furnish one approved copy to the Director, United States Geological Survey and one approved copy to the Commissioner of Public Lands, and two approved copies to Anadarko Production Company.

We are submitting this Application for Expansion to the Director, United States Geological Survey and the Commissioner of Public Lands for their approval, and we are requesting that each send an approved copy direct to your office.

A Notice of the proposed Expansion of the Unit area for the Pearsall Queen Sand Unit was mailed on September 1, 1967 to the Supervisor, the Commissioner, each Working Interest Owner and Overriding Royalty Interest Owner in the Unit and in Tract 16 above described. Thirty days have elapsed since the mailing of said Notice and no objections to the proposed Expansion have been received.

The ownership of the Working Interest in said Tract 16 is identical to the present Working Interest Ownership of the Pearsall

Page #2

Oil Conservation Commission

Queen Sand Unit. One hundred percent of the Working Interest Owners of Tract 16, above described, have approved said Expansion of the Unit area, and we enclose herewith copies of our letters of September 1, 1967 whereon the Working Interest Owners have so approved. The royalty under Tract 16 is owned by the United States of America, and the only other outstanding interest is a 1% overriding royalty, the owner of which we have not been able to locate to solicit joinder to the Unit.

Four copies of the Pearsall Queen Sand Unit Agreement Exhibits A, B, and C revised on June 1, 1967 to become effective October 1, 1967 are enclosed for your file.

Should you require additional data please advise.

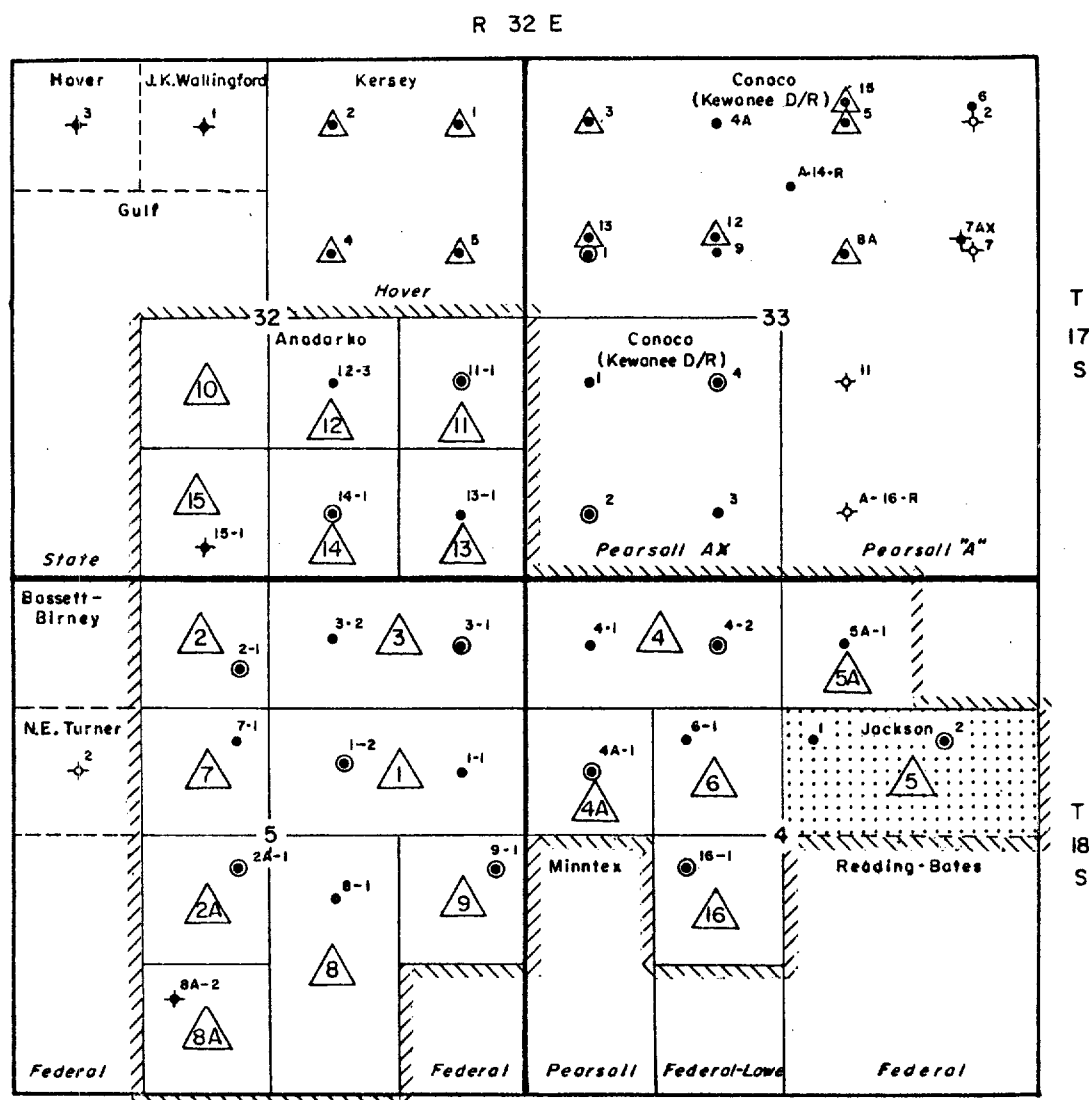
Very truly yours,

*C. W. Stumhoffer*

C. W. Stumhoffer  
Superintendent  
Secondary Recovery Division

CWS/hb

3004



LEGEND

- - Queen
- △ - Grayburg
- ⊙ - Water Injection Well
- ★ - Plugged & Abandoned
- ⋯ - Non Participating tract
- - Unit Boundary
- ② - Tract Number

EXHIBIT "A" TO UNIT AGREEMENT

PEARSALL QUEEN SAND UNIT

LEA COUNTY, NEW MEXICO



Rev. 6-1-67  
Effective: October 1, 1967

EXHIBIT "B"  
 PEARSALL QUEEN SAND UNIT  
 LEA COUNTY, NEW MEXICO

SCHEDULE OF OWNERSHIP

| TRACT<br>NUMBER      | DESCRIPTION                              | NUMBER OF<br>ACRES | SERIAL NO. &<br>LEASE DATE | BASIC<br>ROYALTY | LESSEE OF<br>RECORD  | OVERRIDING ROYALTY<br>OWNER AND AMOUNT   | WORKING INTEREST<br>OWNER AND AMOUNT                    |
|----------------------|--|--------------------|----------------------------|------------------|--|--|---|
| <u>Federal Lands</u> |  |                    |                            |                  |  |  |   |
| 1                    | S/2 NE/4<br>Section 5-T18S-R32E          | 80.00              | LC-029403 (a)<br>12-1-59   | Schedule<br>"C"  | Roy H. Smith & Hugh<br>L. Johnson, Jr. DBA<br>Roy H. Smith Drilling<br>Company | M.E. Baish<br>Martin Yates III<br>Irene E. Walker<br>William E. Walker<br>Elaine M. Walker<br>\$110,000.00 PP out of<br>25% of the WI to Roy H.<br>Smith.<br>After Payout of above<br>PP a \$25,000.00 PP shall<br>Commence out of 12½% of<br>the WI to Roy H. Smith | Anadarko Production<br>Company - 100%<br>(to 5,000 ft.) |
| 2                    | Lot 3 (NE/4 NW/4)<br>Section 5-T18S-R32E | 40.08              | LC-029403 (b)<br>11-1-61   | Schedule<br>"D"  | Hugh L. Johnson, Jr.<br>& Roy H. Smith DBA<br>Roy H. Smith Drilling<br>Company | Subject to the \$110,000.00<br>and \$25,000.00 PP described<br>under Tract 1 above   | Anadarko Production<br>Company - 100%<br>(to 5,000 ft.) |
| 2-A                  | NE/4 SW/4<br>Section 5-T18S-R32E         | 40.00              | LC-029403 (b)<br>11-1-61   | Schedule<br>"D"  | Hugh L. Johnson, Jr.<br>& Roy H. Smith DBA<br>Roy H. Smith Drilling<br>Company | Subject to the \$110,000.00<br>and \$25,000.00 PP described<br>under Tract 1 above   | Anadarko Production<br>Company - 100%<br>(to 5,000 ft.) |

EXHIBIT "B" (Cont.)  
 PEARSALE QUEEN SAND UNIT  
 LEA COUNTY, NEW MEXICO

SCHEDULE OF OWNERSHIP

| TRACT<br>NUMBER | DESCRIPTION                                       | NUMBER OF<br>ACRES | SERIAL NO. &<br>LEASE DATE | BASIC<br>ROYALTY | LESSEE OF<br>RECORD   | OVERRIDING ROYALTY<br>OWNER AND AMOUNT  | WORKING INTEREST<br>OWNER AND AMOUNT                             |
|-----------------|---|--------------------|----------------------------|------------------|---|---|--|
| 3               | Lots 1 and 2<br>(N/2 NE/4)<br>Section 5-T18S-R32E | 80.21              | LC-061155 (a)<br>12-1-59   | Schedule<br>"C"  | Frank Brock & R.T.<br>Brock DBA Brock<br>Drilling Company   | M.E. Baish -1½%<br>Martin Yates III -1 %<br>Irene E. Walker -2½%<br>Wm. E. Walker -1½%<br>Elaine M. Walker -1½%<br>\$66,000.00 PP out of<br>25% of the WI to:<br>1/2 - Frank Brock<br>1/2 - R.T. Brock<br>After payout of above<br>PP a \$14,000.00 PP shall<br>commence out of 12½% of<br>the WI to:<br>1/2 - Frank Brock<br>1/2 - R.T. Brock  | Anadarko Production<br>Company - 100%<br>(to base of Queen Sand) |
| 4               | Lots 3 and 4<br>(N/2 NW/4)<br>Section 4-T18S-R32E | 80.47              | LC-063345<br>11-1-60       | Schedule<br>"D"  | Frank Brock<br>R.T. Brock<br>Albert Hunter Utter,<br>Executor of Estate<br>of Alpha McAtee,<br>Deceased | Brook Drilling Company 1/16<br>of WI.<br>Security-First Nat. Bank of<br>Los Angeles, Trustee 1/16<br>of WI.<br>\$99,000.00 PP out of 25% of<br>WI to:<br>1/4 - Frank Brock<br>1/4 - R.T. Brock<br>1/2 - Albert H. Utter, Executor<br>of Estate of Alpha McAtee, Deceased.<br>After payout of above PP, a<br>\$21,000.00 PP shall commence<br>out of 12½% of the WI to:<br>1/4 - Frank Brock<br>1/4 - R.T. Brock<br>1/2 - Albert Hunter Utter,<br>Executor of Estate of Alpha McAtee,<br>Deceased. | Anadarko Production<br>Company - 100%<br>(to base of Queen Sand) |



EXHIBIT "B" (Cont.)  
 PEARSALL QUEEN SAND UNIT  
 LEA COUNTY, NEW MEXICO

SCHEDULE OF OWNERSHIP

| TRACT<br>NUMBER | DESCRIPTION                              | NUMBER OF<br>ACRES | SERIAL NO. &<br>LEASE DATE | BASIC<br>ROYALTY | LESSEE OF<br>RECORD   | OVERRIDING ROYALTY<br>OWNER AND AMOUNT   | WORKING INTEREST<br>OWNER AND AMOUNT  |
|-----------------|--|--------------------|----------------------------|------------------|---|--|---|
| 4-A             | SW/4 NW/4<br>Section 4-T18S-R32E         | 40.00              | LC-063345<br>11-1-60       | Schedule<br>"D"  | Frank Brock<br>R.T. Brock<br>Albert Hunter Utter,<br>Executor of Estate<br>of Alpha McAttee<br>Deceased | Subject to the same<br>\$99,000.00 and \$21,000.00<br>PP as described under<br>Tract 4 | Anadarko Production<br>Company - 100%<br>(To base of Queen Sand)  |
| 5               | S/2 NE/4<br>Section 4-T18S-R32E          | 80.00              | LC-061840<br>11-1-60       | Schedule<br>"C"  | B.M. Jackson  | J.H. Morris,<br>Agent<br>South Central Enterprises                                     | B.M. Jackson - 100%<br>-5%<br>-5%   |
| 5-A             | Lot 2 (NW/4 NE/4)<br>Section 4-T18S-R32E | 40.41              | LC-061840 (A)<br>11-1-60   | Schedule<br>"D"  | Mintex Oil Company  | J.H. Morris, Agent   | Mintex Oil Co. 50%<br>Beard Oil Co. 25%<br>F.W. Holloway, Jr. 13-3/4%<br>E.R. Monson 5%<br>K.V. Dahl 2-1/12%<br>Janice Lee Ballard<br>Anderson 4-1/6% |
| 6               | SE/4 NW/4<br>Section 4-T18S-R32E         | 40.00              | LC-060503<br>11-1-60       | Schedule<br>"D"  | Virginia Woods Shaw   | Virginia Woods Shaw<br>Charlotte Woods<br>Runyon                                       | 1.25%<br>1.25%<br>1.25%   |
| 7               | SE/4 NW/4<br>Section 5-T18S-R32E         | 40.00              | NM-016795<br>2-1-55        | Schedule<br>"B"  | Anadarko Production Co.   | NONE   | Anadarko Production<br>Company - 100%<br>(to 5,000 ft.)   |

EXHIBIT "B" (Cont.)  
PEARSALL QUEEN SAND UNIT  
LEA COUNTY, NEW MEXICO

SCHEDULE OF OWNERSHIP

| TRACT<br>NUMBER   | DESCRIPTION                       | NUMBER OF<br>ACRES | SERIAL NO. &<br>LEASE DATE | BASIC<br>ROYALTY | LESSEE OF<br>RECORD   | OVERRIDING ROYALTY<br>OWNER AND AMOUNT  | WORKING INTEREST<br>OWNER AND AMOUNT  |
|---|-----------------------------------|--------------------|----------------------------|------------------|---|---|---|
| 8   | W/2 SE/4<br>Section 5-T18S-R32E   | 80.00              | LC-064098<br>12-1-59       | Schedule<br>"C"  | C.N. Ochiltree<br>by Margaret Bass<br>Ochiltree, Administra-<br>trix of Estate of C.N.<br>Ochiltree, Deceased | M.E. Baish<br>Martin Yates III<br>Irene E. Walker<br>Wm. E. Walker<br>Elaine M. Walker<br>-1½%<br>-1%<br>-2½%<br>-1½%<br>-1½%   | Anadarko Production<br>Company - 100%<br>(to 5,000 ft.)                               |
| Subject to the \$110,000.00 and<br>\$25,000.00 PP described under<br>Tract 1. |                                   |                    |                            |                  |   |   |   |
| 8-A   | SE/4 SW/4<br>Section 5-T18S-R32E  | 40.00              | LC-064098<br>12-1-59       | 12½%             | C.N. Ochiltree<br>by Margaret Bass<br>Ochiltree, Administra-<br>trix of Estate of C.N.<br>Ochiltree, Deceased | M.E. Baish<br>Martin Yates III<br>Irene E. Walker<br>Wm. E. Walker<br>Elaine M. Walker<br>-1½%<br>-1%<br>-2½%<br>-1½%<br>-1½%   | Anadarko Production<br>Company - 100%<br>(to 5,000 ft.)                               |
| Subject to the \$110,000.00 and<br>\$25,000.00 PP described under<br>Tract 1. |                                   |                    |                            |                  |   |   |   |
| 9   | NE/4 SE/4<br>Section 5-T18S-R32E  | 40.00              | LC-061153<br>12-1-59       | Schedule<br>"C"  | Virginia Woods Shaw   | M.E. Baish<br>Martin Yates III<br>Irene E. Walker<br>Elaine M. Walker<br>Wm. E. Walker<br>Virginia Woods Shaw-5%<br>(to 5,000 ft.)<br>-1½%<br>-1%<br>-2½%<br>-1½%<br>-1½% | Anadarko Production<br>Company - 100%<br>(to 5,000 ft.)                               |
| 10  | NE/4 SW/4<br>Section 32-T17S-R32E | 40.00              | B-6768                     | 12½%             | Yates Petroleum Corp.   | Ada M. Trostel<br>* Yates Bros.<br>3%<br>4.1666%  | S.P. Yates 33 1/3%<br>Dixon & Yates 33 1/3%<br>Yates Petroleum<br>Corporation 33 1/3% |

\* This ORR comes out of Yates Petroleum Corporation Working Interest only

EXHIBIT "B" (Cont.)  
 PEARSALL QUEEN SAND UNIT  
 LEA COUNTY, NEW MEXICO

SCHEDULE OF OWNERSHIP

| TRACT<br>NUMBER | DESCRIPTION                       | NUMBER OF<br>ACRES | SERIAL NO. &<br>LEASE DATE | BASIC<br>ROYALTY | LESSEE OF<br>RECORD   | OVERRIDING ROYALTY<br>OWNER AND AMOUNT               | WORKING INTEREST<br>OWNER AND AMOUNT  |
|-----------------|-----------------------------------|--------------------|----------------------------|------------------|-----------------------|--|---|
| 11              | NE/4 SE/4<br>Section 32-T17S-R32E | 40.00              | B-6768                     | 12½%             | Yates Petroleum Corp. | Laura G. Brown<br>* Yates Brothers 3.125%<br>4.1667% | S.P. Yates 33 1/3%<br>Dixon & Yates 33 1/3%<br>Yates Petroleum Corporation 33 1/3%  |
| 12              | NW/4 SE/4<br>Section 32-T17S-R32E | 40.00              | B-6768                     | 12½%             | Yates Petroleum Corp. | Claude Johnston<br>* Yates Brothers 3%<br>4.1666%    | S.P. Yates 33 1/3%<br>Dixon & Yates 33 1/3%<br>Yates Petroleum Corporation 33 1/3%  |
| 13              | SE/4 SE/4<br>Section 32-T17S-R32E | 40.00              | B-6768                     | 12½%             | Yates Petroleum Corp. | C.H. Malott<br>* Yates Brothers 3%<br>4.1666%        | S.P. Yates 33 1/3%<br>Dixon & Yates 33 1/3%<br>Yates Petroleum Corporation 33 1/3%  |
| 14              | SW/4 SE/4<br>Section 32-T17S-R32E | 40.00              | B-6768                     | 12½%             | Yates Petroleum Corp. | Selina Reese<br>* Yates Bros. 3%<br>4.1666%          | S.P. Yates 33 1/3%<br>Dixon & Yates 33 1/3%<br>Yates Petroleum Corporation 33 1/3%  |
| 15              | SE/4 SW/4<br>Section 32-T17S-R32E | 40.00              | OG-5119<br>2-17-59         | 12½%             | Gulf Oil Corporation  | Gulf Oil Corp. 6.25%                                 | Anadarko Production Company 74.409804<br>Janice Lee Ballard<br>Anderson 00.296377<br>John M. Beard 01.778263<br>K.V. Dahl 00.148188<br>Dixon & Yates 03.643199<br>F.W. Holloway, Jr. 00.978045<br>Mintex Oil Co. 03.556526<br>E.R. Monson 00.355653<br>Reading & Bates 07.547545<br>S.P. Yates 03.643200<br>Yates Petroleum Corporation 03.643200 |

\* This ORR comes out of Yates Petroleum Corporation Working Interest only.

EXHIBIT "B" (Cont.)  
 PEARSALL QUEEN SAND UNIT  
 LEA COUNTY, NEW MEXICO

SCHEDULE OF OWNERSHIP

| <u>TRACT<br/>NUMBER</u> | <u>DESCRIPTION</u>                   | <u>NUMBER OF<br/>ACRES</u> | <u>SERIAL NO. &amp;<br/>LEASE DATE</u> | <u>BASIC<br/>ROYALTY</u> | <u>LESSEE OF<br/>RECORD</u> | <u>OVERRIDING ROYALTY<br/>OWNER AND AMOUNT</u> | <u>WORKING INTEREST<br/>OWNER AND AMOUNT</u>   |
|-------------------------|--------------------------------------|----------------------------|--|--------------------------|-----------------------------|--|--|
| 16                      | NE/4 SW/4<br>Section 4-T18S-<br>R32E | 40.00                      | LC-059255<br>11-1-60                   | 12½%                     | Humble Oil & Ref.           | Mary Weddige Whisenant - 1%                    | Anadarko Production<br>Company<br>74.409804<br>Janice Lee Ballard<br>Anderson<br>00.296377<br>John M. Beard<br>01.778263<br>K.V. Dahl<br>00.148188<br>Dixon & Yates<br>03.643199<br>F.W. Holloway, Jr.<br>00.978045<br>Mintex Oil Co.<br>03.556526<br>E.R. Monson<br>00.355653<br>Reading & Bates<br>07.547545<br>S.P. Yates<br>03.643200<br>Yates Petroleum<br>Corporation<br>03.643200<br>(to 5,000 ft.) |

EXHIBIT "B" (CONT'D)  
PEARSALE, QUEEN SAND UNIT  
LEA COUNTY, NEW MEXICO

TOTALS

|    |                            |                |                     |
|----|----------------------------|----------------|---------------------|
| 14 | Federal Tracts             | 761.17 Acres   | 76.03% of Unit Area |
| 6  | State of New Mexico Tracts | 240 Acres      | 23.97% of Unit Area |
|    |                            | 1,001.17 Acres | 100% of Unit Area   |

EXHIBIT "C"  
PEARSALL QUEEN SAND UNIT  
LEA COUNTY, NEW MEXICO

SCHEDULE OF UNIT PARTICIPATION

| TRACT NUMBER | DESCRIPTION                                      | LEASE NUMBER AND         |                       | PHASE II - TRACT |
|--------------|--|--------------------------|-----------------------|------------------|
|              |  | LEASE DATE               | PARTICIPATION IN UNIT |                  |
| 1            | S/2 NE/4<br>Section 5 - T18S-R32E                | LC-029403 (a)<br>12-1-59 | 14.069297             |                  |
| 2            | Lot 3 (NE/4 NW/4)<br>Section 5 - T18S-R32E       | LC-029403 (b)<br>11-1-61 | 3.406288              |                  |
| 2A           | NE/4 SW/4<br>Section 5 - T18S-R32E               | LC-029403 (b)<br>11-1-61 | 4.383520              |                  |
| 3            | Lots 1 and 2 (N/2 NE/4)<br>Section 5 - T18S-R32E | LC-061155 (a)<br>12-1-59 | 12.577094             |                  |
| 4            | Lots 3 and 4 (N/2 NW/4)<br>Section 4 - T18S-R32E | LC-063345<br>11-1-60     | 25.027181             |                  |
| 4A           | SW/4 NW/4<br>Section 4 - T18S-R32E               | LC-063345<br>11-1-60     | 5.377082              |                  |
| 5            | S/2 NE/4<br>Section 4 - T18S-R32E                | LC-061840<br>11-1-60     | Not Qualified         |                  |
| 5A           | Lot 2 (NW/4 NE/4)<br>Section 4 - T18S-R32E       | LC-061840 (A)<br>11-1-60 | 6.960153              |                  |
| 6            | SE/4 NW/4<br>Section 4 - T18S-R32E               | LC-060503<br>11-1-60     | 7.385306              |                  |
| 7            | SE/4 NW/4<br>Section 5 - T18S-R32E               | NM-016795<br>2-1-55      | 1.918451              |                  |
| 8            | W/2 SE/4<br>Section 5 - T18S-R32E                | LC-064098<br>12-1-59     | 4.048207              |                  |

EXHIBIT "C" (Cont)  
PEARSALL QUEEN SAND UNIT  
LEA COUNTY, NEW MEXICO

SCHEDULE OF UNIT PARTICIPATION

| <u>TRACT NUMBER</u> | <u>DESCRIPTION</u>                  | <u>LEASE NUMBER AND<br/>LEASE DATE</u> |         | <u>PHASE II - TRACT<br/>PARTICIPATION IN UNIT</u> |
|---------------------|-------------------------------------|--|---------|---|
|                     |                                     |  |         | 0.560916  |
| 8A                  | SE/4 SW/4<br>Section 5 - T18S-R32E  | LC-064098                              | 12-1-59 |   |
| 9                   | NE/4 SE/4<br>Section 5 - T18S-R32E  | LC-061153                              | 12-1-59 | 1.442285  |
| 10                  | NE/4 SW/4<br>Section 32 - T18S-R32E | B-6768                                 |         | 0.560916  |
| 11                  | NE/4 SE/4<br>Section 32 - T18S-R32E | B-6768                                 |         | 6.114775  |
| 12                  | NW/4 SE/4<br>Section 32 - T18S-R32E | B-6768                                 |         | 2.897138  |
| 13                  | SE/4 SE/4<br>Section 32 - T18S-R32E | B-6768                                 |         | 0.560916  |
| 14                  | SW/4 SE/4<br>Section 32 - T18S-R32E | B-6768                                 |         | 0.560916  |
| 15                  | SE/4 SW/4<br>Section 32 - T18S-R32E | OG-5119<br>2-17-59                     |         | 0.870787  |
| 16                  | NE/4 SW/4<br>Section 4 - T18S-R32E  | LC-059255<br>11-1-60                   |         | 1.278772  |

EXHIBIT "C"

PEARSALL QUEEN SAND UNIT  
LEA COUNTY, NEW MEXICO

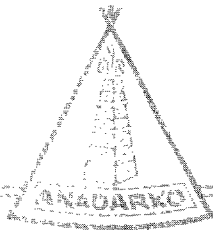
SUMMARY OF OWNERSHIP  
BY  
WORKING INTEREST OWNER

WORKING INTEREST OWNER

PHASE II PARTICIPATION  
IN UNIT

|                             |                   |
|-----------------------------|-------------------|
| Anadarko Production Company | 74.409804         |
| Janice Lee Ballard Anderson | 0.296377          |
| John M. Beard               | 1.778263          |
| K.V. Dahl                   | 0.148188          |
| Dixon and Yates             | 3.643199          |
| F.W. Holloway, Jr.          | 0.978045          |
| Mintex Oil Company          | 3.556527          |
| E.R. Monson                 | 0.355653          |
| Reading and Bates           | 7.547545          |
| S.P. Yates                  | 3.643199          |
| Yates Petroleum Corporation | 3.643200          |
|                             | <u>100.000000</u> |





**ANADARKO PRODUCTION COMPANY**

3109 WINTHROP AVENUE      P. O. BOX 9317      FORT WORTH, TEXAS 76107  
CABLE ADDRESS: ANDARK

January 16, 1968

68 JAN 19 AM 8 44

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

800-5-35  
Federal Lease LC 059255  
Pearsall Queen Sand Unit  
Lea County, New Mexico

Gentlemen:

Enclosed herewith please find a copy of the approval for expansion of the Pearsall Queen Sand Unit from the United States Geological Survey effective October 1, 1967. You have been furnished with a copy of the approval from the Commissioner of Public Lands according to their letter to us of October 16, 1967.

Very truly yours,

Anadarko Production Company

John Fallwell, Jr.

JF/hb



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY  
WASHINGTON, D.C. 20242

JAN 9 1968

Anadarko Production Company  
Post Office Box 9317  
Fort Worth, Texas 76107

Gentlemen:

On January 2, 1968, Arthur A. Baker, Acting Director of the Geological Survey, approved the application, filed by your company as unit operator, requesting the expansion of the Pearsall Queen Sand unit area, Lea County, New Mexico, No. 14-08-0001-8638.

Approval of the expansion, effective as of October 1, 1967, increases the unit area by the addition of 40 acres, making a total of 1,001.17 acres, more or less, in the unit area.

Enclosed are four copies of the approved application for your records. We request that you furnish the State of New Mexico, and any other interested principal, with whatever evidence of this approval is deemed appropriate.

Sincerely yours,

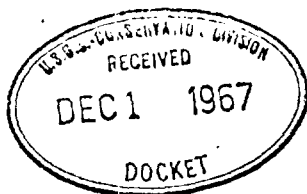
*Russell L. Wayland*  
For the Director

Enclosures (4)

MAIN OFFICE

'68 JAN 19 AM 8 44

Operator



CERTIFICATION - APPROVAL

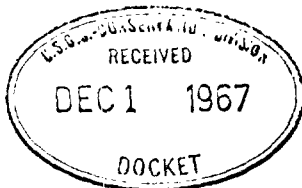
Pursuant to the authority vested in the Secretary of Interior under the Act approved February 25, 1920, 41 Stat. 437, 30 Secs. 181, et seq., as amended and delegated to the Director of the Geological Survey, the foregoing application for expansion of the Pearsall Queen Sand unit area, Lea County, New Mexico, is hereby approved.

JAN 2 - 1968

Date

*William B. Zacher*  
Acting Director, U. S. Geological Survey

APPLICATION  
FOR APPROVAL OF UNIT EXPANSION  
PEARSALL QUEEN SAND UNIT



Director,  
United States Geological Survey  
c/o Regional Oil and Gas Supervisor  
P. O. Box 1857  
Roswell, New Mexico

The Honorable Guyton Hays  
Commissioner of Public Lands  
P. O. Box 791  
Santa Fe, New Mexico

New Mexico Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico  
Attention: Mr. A. L. Porter, Jr.  
Secretary-Director

Gentlemen:

Anadarko Production Company, as Operator of the Pearsall Queen Sand Unit, hereby requests approval to expand the Pearsall Queen Sand Unit by adding thereto Tract No. 16, Anadarko Production Company, et al Federal Love Lease (Serial No. LC 059255) consisting of the NE/4 SW/4 Section 4, T-18S, R-32E, Lea County, New Mexico. Said expansion is proposed to be accomplished under the provisions of Section 4 of the Pearsall Queen Sand Unit Agreement that was effective November 1, 1964. The procedures outlined by said Unit Agreement have been carried out as follows:

1. Anadarko Production Company purchased the operating rights to a depth of 5,000 feet in and to Federal Lease LC 059255 covering the NE/4 of SW/4 Section 4, T-18S, R-32E, Lea County, New Mexico for the account of the Working Interest Owners of the Pearsall Queen Sand Unit for the purpose of utilizing the old well located thereon and formerly known as the Maljamar Petroleum Products, Inc. Federal Love No. 1 Well as an injection well for the Unit. An assignment of said operating rights has been made by Anadarko Production Company to the present Working Interest Owners of the Pearsall Queen Sand Unit in proportion to their present fractional ownership in the Unit and said Assignment of operating rights has been approved by the Bureau of Land Management. A letter ballot dated September 1, 1967 was submitted to

Page #2

Application for Approval of Unit  
Expansion - Pearsall Queen Sand  
Unit, Lea County, New Mexico

the Working Interest Owners of the Pearsall Queen Sand Unit, soliciting their approval of the Expansion of the Unit to include Tract 16 above described, and 100% of said Working Interest Owners have approved said Expansion.

2. Preliminary concurrence of the proposed expansion was given on June 14, 1967 by the Commissioner of Public Lands, and on August 14, 1967 by the Director of the United States Geological Survey.
3. A Notice of the Proposed Expansion of the Pearsall Queen Sand Unit, Lea County, New Mexico dated September 1, 1967 was mailed on said date to the Commissioner, the Supervisor, each Working Interest Owner, Overriding Royalty Interest Owner, Lessee, and Lessor of the Unit and of Tract 16 herein described. Copies of the Notice of Proposed Expansion are enclosed.
4. Since the mailing of said Notice of Proposed Expansion more than 30 days have elapsed and no objection to the Proposed Expansion has been received.
5. Joinders of Working Interest Owners under Tract 16 above described should not be necessary in this case since said owners are identical to the Working Interest Owners of the Unit.

In addition to the attachments described above, there is furnished here- with (1) revised Exhibit A showing revised Unit boundary and tract designation, (2) revised Exhibit B showing relevant data on all tracts within the expanded unit area and (3) revised Exhibit C showing participation of each Working Interest Owner in the expanded Unit.

As stated in the aforementioned Notice of Intent To Expand the Pearsall Queen Sand Unit, the proposed effective date of Expansion is October 1, 1967 which is the first day of the month subsequent to the Notice.

Wherefore, Anadarko Production Company respectfully requests approval of the expansion of the Pearsall Queen Sand Unit as outlined above.

Approved. *Oct. 26* ..... 19*67*  
*H. P. Porter* .....  
CWS/hb Secretary-Director  
Respectfully submitted,  
*C. W. Stumhoffer*  
C. W. Stumhoffer  
Superintendent  
Secondary Recovery Division

NEW MEXICO OIL CONSERVATION COMMISSION

THIS APPROVAL GRANTED SUBJECT TO LIKE APPROVAL  
BEING GRANTED BY THE UNITED STATES GEOLOGICAL  
SURVEY AND BY THE COMMISSIONER OF PUBLIC LANDS  
OF THE STATE OF NEW MEXICO.

RECEIVED

OCT 17 1967

U. S. GEOLOGICAL SURVEY  
TOSWELL, NEW MEXICO

Pursuant to the authority vested in the Commissioner of Public Lands of the State of New Mexico by Act of the Legislature ( Chap. 88, Laws 1943), the foregoing Application for Expansion of the Pearsall Queen Sand Unit Area is hereby approved. Such expansion shall be effective October 1, 1967, which is the first day of the month subsequent to the notice.

DATE

October 16, 1967

Langston B. Hays  
COMMISSIONER OF PUBLIC LANDS  
STATE OF NEW MEXICO