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1120 SIMMS BLDG. • P. O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
December 20, 1967
EXAMINER HEARING

IN THE MATTERS OF:)

Application of H & S Oil)
Company for a unit agreement,)
Eddy County, New Mexico.)

Case No. 3698

Application of H & S Oil)
Company for a waterflood pro-)
ject, Eddy County, New Mexico.)

Case No. 3699

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

MR. NUTTER: We'll call the next case, No. 3698.

MR. HATCH: Case 3698, Application of H & S Oil Company for a unit agreement, Eddy County, New Mexico.

MR. NUTTER: And, we'll call Case 3699.

MR. HATCH: Case 3699, Application of H & S Oil Company for a waterflood project, Eddy County, New Mexico.

MR. LOSEE: Mr. Examiner, A. J. Losee of Artesia, New Mexico, appearing on behalf of the Applicant, H & S Oil Company. I have one witness, Mr. Rupert L. Heinsch.

(Witness sworn.)

(Whereupon, Applicants Exhibits Number 1 through 6, inclusive, were marked for identification.)

MR. LOSEE: May I proceed, Mr. Examiner?

MR. NUTTER: Yes, sir.

RUPERT L. HEINSCH

called as a witness, having been first duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. LOSEE:

Q Would you state your name and residence and occupation?

A Rupert L. Heinsch, residence, Carlsbad. I'm an oil operator.

Q How long have you been an oil operator?

A The past sixteen years.

Q Associated with what company or companies?

A Simms and Reese Oil Company, now H & S Oil Company.

Q Is it an operator of producing oil and gas properties in Eddy County, New Mexico?

A Yes, sir.

Q And, has been doing that sixteen years?

A Yes, sir.

Q What has been your responsibility with this company?

A General Superintendent.

Q And has part of that responsibility included drilling, completing and operating producing oil and gas wells?

A Yes, sir.

Q And, that's been throughout the sixteen years?

A Yes, sir.

MR. LOSEE: Are Mr. Heinsch qualifications acceptable?

MR. NUTTER: Yes, they are.

Q Please refer to what has been marked as Exhibit 1, Mr. Heinsch, and explain what is shown by that map.

A This is the diagram or an outline of the unit area which is located in Sections 8, 7 and 17 in 18, 28, Eddy County, New Mexico.

Q It shows the location of the offset wells and the lessee?

A Yes.

Q Mr. Heinsch, please refer to what has been marked as Exhibit 2, being the Unit Agreement for the West Artesia Grayburg Unit and state what is the proposed unit area.

A The proposed unit area contains a hundred and twenty acres of fee land and five hundred and twenty acres of State land.

Q Now, where is that described or located on the unit?

A It's located in Section 8 of 18, 28.

Q There's a map attached to the Unit Agreement as Exhibit A which actually --

A Yes.

Q -- gives a larger scale diagram of the unit area. Now referring to what has been designated as Tract No. 2, being the southeast quarter of the northeast quarter of Section 7 --

A Seven.

Q -- that tract has not been sufficiently committed to be entitled to participate in the unit, has it?

A That's correct.

Q Actually, at this time, you have entered into preliminary negotiations to purchase the well on behalf of H & S Oil Company, have you not?

A Yes, sir.

Q What vertical interval is proposed to be unitized in this unit?

A The Premier Section of the Grayburg, the Oldfield Pay and the Metex.

Q Actually, Mr. Heinsch, the interval that's proposed to be unitized is defined in Section 1-D of the Unit Agreement, is it not?

A Yes, sir, and is shown in H & S Oil Company's Wilson State 8 Number 1, which is located in the northwest of the southeast quarter of Section 8, 18, 28.

Q Between what subsurface depths?

A Nineteen hundred and thirty-four feet to twenty-three hundred and twenty-four feet.

Q Now, that equivalent interval will be shown on one of the logs, which will be offered as Exhibit 5, will it not?

A Yes, sir.

Q And that interval includes --

A The Oldfield, Metex and Premier, which is -- They're all members of the Grayburg Formation.

Q Are they a common source of supply throughout the unit area?

A Yes, sir.

Q What is the purpose of unitization?

A The purpose of unitization is to waterflood the

formations which are currently in a stripper state and it is a matter of economics.

Q To permit H & S Oil Company and the other working interest owners to economically flood the unit area?

A Yes, sir.

Q Now, has H & S proposed to be the unit operator by the terms of this agreement?

A Yes, sir.

Q What is the basis of tract participation?

A There are two phases. Phase I is the current production.

Q How long will Phase I remain in force?

A Well, it's taken from October 31st, 1964 and from that date, we'll have to recover 67,408 barrels. At such time, we go into Phase II.

Q All right. Now, what portion of the 67,408 barrels has been recovered at this time?

A Well, I can't say exactly, but I would say most of it.

Q Substantially all of it. So, really, the unit is almost at this point, ready for Phase II?

A Phase II.

Q All right. What factors was Phase II based upon?

A Ultimate primary. Cumulative to ten, thirty-one

sixty-four plus the sixty seven, which is done.

Q The 67,408?

A Yes.

Q So it's entirely cumulative. Do you have an opinion as to whether this method of allocating production is fair and equitable to all interest owners within the area?

A Yes, sir, I feel that it is equitable.

Q What percentage of working interest owner commitment and royalty interest owner commitment is required by the unit to qualify a tract for participation?

A A hundred percent working interest and seventy-five percent of the royalty interest.

Q Now is that shown on Section 13 of page six of the Unit Agreement?

A Yes, sir.

Q And with the exception of Tract No. 2, have a sufficient number of working interest and royalty interest owners ratified the unit to qualify all of the tracts for participation?

A Yes, with the exception of that Marathon interest. Did you say royalty, overriding royalty?

Q Yes.

A The Marathon is in the process of being ratified. They've agreed to ratify by letter, but it's

still in channels.

Q You do not have the actual instrument, but they have furnished you with a letter saying that they would ratify?

A Yes.

Q Now the unit has an effective date set forth in Section 22 on page ten, which is, when the Agreement has been ratified by combined unit participation of eighty-five and royalty interest participation of sixty-five, has that been accomplished?

A Yes, sir.

Q The approval of the Agreement by the Land Commissioner and the Oil Commissioner, has the Land Commissioner tentatively given approval to this Agreement?

A Yes, sir.

Q The other requirement is that a counterpart be filed in the County Clerk's Office in Eddy County and that, of course, hasn't been accomplished.

A No, sir.

Q Now, following in the same paragraph on page eleven, there is an expiration date of July 1 of '67, except that eighty percent of the working interest owners may extend such date for an additional period of six months.

A Yes, sir.

Q Have eighty percent of the working interest owners in a meeting extended the date to December 31st of 1967?

A Yes, sir.

Q Have the few interest owners who have not ratified this agreement been given an opportunity to do so?

A Yes, sir.

Q Referring back to what was marked as Exhibit 1, will you locate on this map the existing waterflood projects in the area?

A In Section 4, there is waterflood by Grayridge Corporation. It was originally set up by Ibex Company. In Section 17, the Cima Capitan waterflood, and in Sections 21 and 28 and 27, the Grayridge flood.

Q Are these floods in the area flooding the same interval or intervals?

A Yes, sir.

Q Are those to the south of this proposed flood successful?

A Yes, sir, they have responded better than we had expected.

Q Now referring to the map attached as Exhibit A to the Unit Agreement, would you tell the Examiner which wells

are proposed in your flood pattern for conversion to injection?

A Yes, sir. Do they have that map??

MR. NUTTER: Yes.

Q Describe, tell them the well and --

A The well in Tract No. 5 is an injection well, which is in the northwest,,northwest quarter, and going down in Section 7, Tract No. 2, proposed well, in the southeast of the northeast quarter.

MR. NUTTER: That will be contingent upon your purchasing that tract?

A Yes, sir. Then going on down to the bottom of the southeast, southeast of Section 7, the No. 2 Well in Tract No. 13.

Now, in the northwest, northwest of Section 17, Tract No. 12, the No. 1 Well; going on up to Section 8 in the northwest of the southwest quarter, Well No. 1; and going up to the southeast of the northwest quarter, Well No. 1, Tract No. 3. And then going over to the southeast of the northeast quarter, Tract No. 11, the Well No. 1; and then going to the Tract No. 7, Well No. 1 in the northwest of the southwest quarter.

Q And that's a regular five-spot pattern?

A Yes, sir.

Q Please refer to what has been marked as Exhibit 4 and explain what is shown by this Exhibit.

A The Table of Contents. Do you want me to give --

Q No. Just what is Exhibit 4?

A Exhibit 4 is an engineering study of the area which was made in 1963 giving the geology.

Q That was prepared by Mr. Spear?

A Spear, yes. And, setting out the economics and general geology engineering study.

Q All right. Refer to what's shown as Table I.

A Table I is a well completion record on each well showing the amount of pipe in the wells, the producing intervals in stimulation or treatment of each well.

Q Also shows the completion dates, does it not, the total depth?

A Yes, sir.

Q The casing and cement?

A Yes, sir.

Q Now, actually, this study covers a larger area than just the area that eventually is submitted here for unitization?

A Yes, sir.

Q And, the outlying area, it was unsuccessful in including it **within the unit**?

A Yes, sir.

Q Please refer in this report to what is described as Table II and tell what is shown on that table.

A Table II shows the lease and well number and ownership and it also shows the sections or productive zones in each well.

Q And the intervals that are open?

A Yes.

Q Now, actually, all of these three intervals, the Oldfield, Metex and Premier are not producing in each of these wells?

A Correct.

Q They are producing in each of the proposed injection wells?

A Yes, sir. In most cases, all these zones were found in each of these wells, but were found to be too tight or nonproductive.

Q In some of them. In some cases?

A Yes, sir.

Q Please refer to what has been marked as Table V and explain what is shown by this table.

A Table V shows a production summary with a cumulative production figure and estimated remaining primary and estimated production through 1965. It shows, also, the remaining second-

dary at this time.

MR. NUTTER: Well, now, you mentioned a moment ago that this study was made for a larger area than was actually unitized. What area did this actually cover which isn't included in the unit area?

MR. LOSEE: We'll get to it. Really --

MR. NUTTER: I just wondered what significance that would have because we're talking about cumulative production and predicted and secondary production and so forth.

MR. LOSEE: Well, it actually includes a very small area to the south. When I get to -- let's go to it, without answering this question. This is not completely accurate.

Q (By Mr. Losee) Turn to what is marked as figure three and explain what is portrayed by that. Now, I'll go back. It's the next to the last map.

MR. NUTTER: Okay.

A This is an isopach of the area, as you can see. Some of the wells -- to answer your question, the wells to the east, southeast, were originally figured in this flood. However, one of the wells was completed in -- only in the Metex. The other two were completed in the Lovington formation and we felt that it was unwise economically to bring these into flood.

Q Now, actually, there are five wells that are shown

in this study that are not included in the flood?

A Yes, sir.

Q The two Marberry Wells, the Marberry State and the Kelly State?

A Yes, sir.

Q And, what is shown as the Eddy State 80 -- I'm sorry. There's another Marberry Well. There's a State Marberry and an Allison, a total of five wells?

A Yes, sir.

MR. NUTTER: In other words, that would be the south half of the southeast of eight, southeast southwest of eight, and the north half, northeast of seventeen?

MR. LOSEE: Yes.

A Yes.

MR. NUTTER: Would that jibe with what I penciled down there on that map?

MR. LOSEE: Yes.

MR. NUTTER: Those five wells.

Q (By Mr. Losee) And, actually, they're not materially different from the wells that are in the proposed unit area, with the exceptions that you just mentioned?

A Their primary production was from the Lovington formation.

Q Then, I'm going to turn back to Table V, again. And, in this report, the total ultimate primary is shown at what figure?

A Five hundred and seventy thousand, five hundred and twenty-seven.

Q And the estimated recovery by secondary is?

A One to one.

Q The same ratio?

A Yes, sir.

Q Would this secondary oil not be recoverable other than by waterflood or other similar method?

A We feel that it wouldn't be.

Q And, actually, that figure should be approximately proportionately reduced by those five wells that we just referred to and the --

A The figure would be approximately half a million barrels or five hundred thousand.

Q Have all of the wells within the unit area reached an advanced or stripper state of completion?

A With the exception of one, which is the Signal, Kincaid and Watson, Signal State No. 1 in the southeast of the northeast quarter of Section 8.

Q Now, actually, Mr. Heinsch, that well has reached

an advanced state of stripper depletion, but something has happened to it since then, hasn't it?

A Yes, sir.

Q What has occurred?

A Some water got away from the Grayridge Flood and it increased the --

Q It's responded to water injection from the Grayridge Flood off to the north?

A Yes, sir.

Q And with the exception of that well, what's the maximum production from any well within the unit area?

A Three to four barrels.

Q Please refer to what has been marked as Exhibit 5, Mr. Heinsch. Are these logs on all of the eight injection wells?

A No, sir. We don't have a log on the No. 2 Well.

Q The Mel Number 2?

A Mel Number 2 in Section 7.

Q None was actually run on it?

A None was run on that well.

Q All right. Now, have you marked each of the producing intervals on these logs?

A Yes, sir.

Q Are they fairly uniform throughout the area?

A Yes, sir.

Q All right. Take the first one and tell the Examiner what well it is and what intervals.

A We have referred to this well, previously, which is the Wilson State No. 8-1, and the producing intervals in this well are from twenty, twenty-four to twenty, thirty-four.

Q Which interval is that?

A That is the Oldfield Pay.

Q Okay.

A Twenty-one thirty to twenty-one forty and that's in the Metex. Twenty-one ninety-seven to twenty-two hundred and twenty-two fifty to fifty-three, twenty-two fifty-three to fifty-eight and twenty-two sixty to sixty-five, and this is the Premier Formation.

Q And that's a typical log of the injection well?

A Yes, sir. Another one?

Q No. Please refer to what has been marked as Exhibit 6 and explain what is portrayed by that exhibit.

A Exhibit 6, these are diagrammatic sketches of each of the injection wells showing the surface pipe, calculated fill-up with cement and the perforations on each of the wells and the number of sacks of cement used.

Q These cement tops are calculated, are they not?

A Yes, sir.

Q What fill-up was assumed in the calculation?

A A hundred percent.

Q Now, in each of these wells, is the cement calculated to be at least two hundred feet above the uppermost perforations?

A Yes, sir.

Q Now, is it proposed to inject water down into the casing?

A Yes, sir.

Q At what rate, under what pressure?

A Eight hundred pounds and approximately two hundred and fifty barrels per well.

Q Now, actually, to the extent the application said twelve hundred pounds pressure, that's in error, is it not?

A Yes, sir.

MR. LOSEE: Mr. Examiner, we'd like amend the application which was prepared on the lawyer's information.

MR. NUTTER: I don't think that was specified --

MR. LOSEE: No.

MR. NUTTER: -- in the advertisement, so the application can be amended.

MR. LOSEE: Yes.

Q (By Mr. Losee) Mr. Heinsch, if a leak should

develop in this casing, how would you know that such leak was occurring, the water getting behind, away from you?

A You'd have a pressure drop.

Q But, you could tell at the surface?

A Yes, sir.

Q What steps would you take to remedy the situation if that occurred?

A Well, it would be necessary, of course, to find the hole and then they would have to squeeze, and if the squeeze didn't work, why, packers would have to be set with, on tubing.

Q And, injection would be commenced through tubing?

A Tubing.

Q If required by the Commission, would you be willing to pressure test these injection wells before injection of water was commenced?

A If required, yes.

Q Where do you propose to acquire your water for this project?

A Yucca Water Company.

Q Is the system that you propose to use to be a closed or open system?

A Closed.

Q Do you propose to reinject your water?

A Yes, sir.

Q Do you propose to operate this flood under Rule 701 of the Commission as to allowable?

A Yes, sir.

Q Do you have an opinion as to whether the secondary recovery of oil by water injection through this unitization will recover oil that would not otherwise be recovered and would protect correlative rights?

A Yes, sir.

Q What is that opinion?

A That it will.

Q In my haste, I passed over Exhibit 3. Please refer to what's been marked as Exhibit 3 and explain what is shown by these schedules.

A Well, it shows the tracts with their number, also the basic royalty and the percentage of that royalty or with the State having all, but a hundred and twenty acres. The hundred and twenty acres is held in fee by Midwest Investment Company.

Q Actually, the rest of ~~this~~ whole schedule shows the ~~commitment~~ status of the basic royalty, the overriding royalty and the working interest.

A Yes, sir.

Q Showing that each of the tracts are qualified for percentage?

A Percentage, right.

Q And were Exhibits 1 through 6, with the exception of Exhibit 4 which was prepared by Mr. Spear, prepared by you or under your direction?

A Yes, sir.

MR. LOSEE: We have no further questions,
Mr. Examiner.

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Heinsch, your maximum injection pressure would be eight hundred pounds or would that be your initial injection pressure?

A Initial.

Q What would you expect would be the maximum that you would obtain?

A We might come back to Jerry's twelve hundred at maximum.

Q Twelve hundred. In that event, perhaps pressure test on this casing ought to be about fifteen hundred pounds?

A Yes, sir.

Q Would you agree with a fifteen hundred pressure pound test on this?

A Yes, sir. The majority, or I'll say, all, to my knowledge, of this casing was put in, was new and pressure tested at that time.

Q Most of these wells, I think of one of those exhibits in the brochure, indicated that they were drilled in the '50s and as --

A Yes, sir.

Q -- early as the '60s, possibly.

A Our interest holders or operators of most of those wells in there, we were in the drilling and I know that the casing is good.

Q And they were drilled from the '50s to the '60s?

A Yes, sir.

Q And any wells indicating a leak would be equipped with tubing and packer?

A Yes, sir.

Q Now, quickly, again, Mr. Heinsch, what were the zones that will be flooded?

A The Oldfield Pay.

Q How do you spell that, sir?

A O-l-d-f-i-e-l-d, Metex, M-e-t-e-x, and Premier, P-r-e-m-i-e-r.

Q Are all three of those zones open in each one of these injection wells?

A Yes, sir.

MR. NUTTER: Are there any further questions of Mr. Heinsch? You may be excused.

(Witness excused.)

MR. NUTTER: Do you have anything further,
Mr. Losee?

MR. LOSEE: No, sir, Mr. Nutter.

MR. HATCH: The Commission has received a telegram
from the Cities Service Oil Company in support of the applica-
tion.

MR. NUTTER: Thank you. Have the exhibits been
offered?

MR. HATCH: I don't think the exhibits have been
entered.

MR. LOSEE: I offer Exhibits 1 through 6 in evidence.

MR. NUTTER: Applicant's Exhibits 1 through 6 will
be admitted in evidence.

(Whereupon, Applicant's Exhibits
Numbered 1 through 6, inclusive,
were admitted into evidence.)

MR. NUTTER: Does anyone have anything they wish
to offer in Cases 3698 and 3699? We'll take the cases under
advisement and call the next case.

* * *

I N D E X

<u>WITNESS</u>		<u>PAGE</u>
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<u>EXHIBIT</u>	<u>MARKED</u>	<u>OFFERED AND ADMITTED</u>
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STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

I, CHARLOTTE MACIAS, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me; and that the same is a true and correct record of the said proceedings, to the best of my knowledge, skill and ability.

Witness my Hand and Seal this 20th day of January,
1968.

Charlotte J. Macias
NOTARY PUBLIC

My Commission Expires:

February 10, 1971.

I do hereby certify that the foregoing is a complete record of the proceedings in the on-site hearing of Case No. 3698
dated by me on 12/20, 19 67

James H. ...
New Mexico Oil Conservation Commission



COMMERCIAL RESOURCES
(505)-827-5724

SURFACE RESOURCES
(505)-827-5793

MINERAL RESOURCES
(505)-827-5744

ROYALTY
(505)-827-5772

State of New Mexico
Commissioner of Public Lands

Ray Powell, M.S., D.V.M.
310 Old Santa Fe Trail, P. O. Box 1148
Santa Fe, New Mexico 87504-1148
Phone (505)-827-5760, Fax (505)-827-5766

PUBLIC AFFAIRS
(505)-827-5765

ADMINISTRATIVE MGMT.
(505)-827-5700

LEGAL
(505)-827-5713

PLANNING
(505)-827-5752

April 8, 1997

Mack Energy Corporation
P.O. Box 960
Artesia, New Mexico 88211-0960

Attn: Ms. Staci Sanders

Re: 1997 Plan of Development
West Artesia Grayburg Unit
Eddy County, New Mexico

Dear Ms. Sanders:

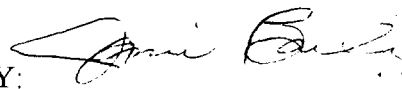
The Commissioner of Public Lands has, of this date, approved the above-captioned Plan of Development. Our approval is subject to like approval by all other appropriate agencies.

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

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS

BY: 
JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744

RP/JB/cpm
cc: Reader File

OCD



3698

RAY POWELL, M.S., D.V.M.
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

(505) 827-5760
FAX (505) 827-5766

March 5, 1996

Mack Energy Corporation
Post Office Box 1359
Artesia, New Mexico 88211-1359

Attn: Ms. Staci Sanders

Re: 1996 Plan of Development
West Artesia Grayburg Unit
Eddy County, New Mexico

Dear Ms. Sanders:


The Commissioner of Public Lands has this date approved the above-captioned Plan of Development. 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 may be contacted at a later date regarding these possibilities.

If you have any questions, or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS

BY: 
LARRY KEHOE, Director
Oil, Gas and Minerals Division
(505) 827-5744

RP/LK/cpm

cc: Reader File

OCD

TRD

Commissioner's File



JIM BACA
COMMISSIONER

State of New Mexico

OFFICE OF THE

Commissioner of Public Lands

Santa Fe

3698

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

February 16, 1993

Mack Energy Corporation
P.O. Box 276
Artesia, New Mexico 88210

Attention: Land Department

Re: Designation of Successor Unit Operator
West Artesia Grayburg Unit
Eddy County, New Mexico

Gentlemen:

The New Mexico Oil Conservation Division has advised this office that Mack Energy Corporation has been designated as the successor unit operator of the West Artesia Grayburg Unit, Eddy County, New Mexico.

Our records reflect that Marbob Energy Corporation is still the operator of record for this unit. Pursuant to the terms of the West Artesia Grayburg Unit Agreement, any change in unit operators must also be approved by the Commissioner of Public Lands.

In view of the above, please submit a resignation/designation of successor unit operator to this office for approval. If the change of operator is not filed with and approved by this office, you are operating the West Artesia Grayburg State Unit without authority.

Please submit the appropriate documents for designation of successor operator of the West Artesia Grayburg State Unit within thirty (30) days from receipt of this letter. Failure to timely submit the requested documents may jeopardize the state leases committed to this unit agreement.

Mack Energy Corporation
February 16, 1993
Page 2

If you have any questions, or if we may be of further help,
please contact Pete Martinez at (505) 827-5791.

Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

BY: 

FLOYD O. PRANDO, Director
Oil/Gas and Minerals Division
(505) 827-5744

JB/FOP/pm

encls.

cc: Reader File

OCD

Marbob Energy Corporation



JIM BACA
COMMISSIONER

State of New Mexico
OFFICE OF THE
Commissioner of Public Lands
Santa Fe

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

April 8, 1993

Losee, Carson, Haas & Carroll, P.A.
300 Yates Petroleum Building
P.O. Drawer 239
Artesia, New Mexico 88211-0239

Attention: Mr. James E. Haas

Re: Resignation/Designation of Successor Unit Operator
West Artesia Grayburg Unit
Eddy County, New Mexico

Dear Mr. Haas:

This office is in receipt of your letter of March 31, 1993, together with a resignation of unit operator wherein Marbob Energy Corporation has resigned as Unit Operator of the West Artesia Grayburg Unit and Mack Energy Corporation has been selected as the Successor Unit Operator of said Unit.

The Commissioner of Public Lands has this date approved the resignation of Marbob Energy Corporation and the Designation of Mack Energy Corporation as the successor Unit Operator of this unit. This change in operators is effective September 1, 1992.

If you have any questions, or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

BY: *Floyd O. Prando*
FLOYD O. PRANDO, Director
Oil/Gas and Minerals Division
(505) 827-5744
JB/FOP/pm
encls.

cc: Reader File
Marbob Energy Corporation
Mack Energy Corporation
✓OCD

State of New Mexico

3698



W.R. HUMPHRIES
COMMISSIONER

Commissioner of Public Lands

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

October 3, 1990

Mr. David Martin
Land Department
Marbob Energy
P.O. Drawer 217
Artesia, NM 88211-0217

Re: West Artesia Grayburg Unit
Eddy County, New Mexico
1990 Plan of Development

Dear Mr. Martin:

The Commissioner of Public Lands this date approved the 1990 Plan of Development for the West Artesia Grayburg 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 may exist. You will be contacted at a later date regarding these possibilities.

If we may be of further help, please do not hesitate to contact Clyde Langdale at (505) 827-5791.

Sincerely,

W. R. HUMPHRIES

BY: *Floyd O. Prando*

Floyd O. Prando, Director
Oil, Gas & Minerals Division

cc: OCD
Unit Corresp.
Unit POD

State of New Mexico



36/5

Commissioner of Public Lands

CUTTON B. HAYS
COMMISSIONER



December 26, 1967

P. O. BOX 1148
SANTA FE, NEW MEXICO

MAIN OFFICE

'67 DEC 27 AM 8

Mr. A. J. Losee
P. O. Box 239
Artesia, New Mexico 88210

Re: Final Approval of
West Artesia Grayburg Unit
H & S Oil Company-Operator

Dear Sir:

In order to prevent the ipso facto termination of the captioned agreement on December 31, 1967, the Commissioner of Public Lands hereby grants final approval, subject to compliance within thirty (30) days with the terms outlined below. In the event the terms set forth below are not complied with in the specified time, the final approval of this agreement shall then in fact become null and void.

- (1.) That a revised Exhibit "A" be submitted showing the proper tract designation.
- (2.) That a revised Exhibit "B" is submitted showing the proper State Lease numbers and Lessees of Record, also showing the tract which is now designated as Tract No. 2 to be not committed and entitled to no percentages unless it is committed within the specified time.
- (3.) That the Original Ratification for Signal Oil & Gas Company for the tract presently designated as No. 6, for Marathon Oil Company on what is presently Tract No. 8 and for the Nix & Curtis Oil Company and L. F. Hamilton for what is now Tract No. 10, be remitted within the specified time.

Mr. T. Lopez
March 26, 1967
Page 2.

Regarding items 1 & 2 (Exhibits A & B) you will find
attached a copy of said denoting the desired corrections circled
in red.

Very truly yours,

GUYTON B. HAYS
COMMISSIONER OF PUBLIC LANDS

BY: Eddie Lopez
Eddie Lopez, Supervisor
Unit Division

GBH/GB/EL/s
encs.

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

CLASS OF SERVICE

This is a fast message unless its deferred character is indicated by the proper symbol.

WESTERN UNION

TELEGRAM

(11)

SYMBOLS

DL=Day Letter

NL=Night Letter

LT=International Letter Telegram

The filing time shown on this telegram is on domestic or international basis. TIME at point of origin. Time of receipt is LOCAL TIME at point of destination

EX044 NSB013

1967 DEC 20 AM 8 35

NS NDA003 PD-MIDLAND TEX 20 808A CST=

NEW MEXICO OIL CONSERVATION, ATTN A L PORTER

SANTA FE NMEX=

CITIES SERVICE OIL COMPANY AS WORKING INTEREST OWNER IN THE PROPOSED WEST ARTISTA GRAYBURG UNIT RECOMMENDS APPROVAL OF THE UNIT AND RELATED WATER FLOOD PROJECT AS REQUESTED BY H AND S OIL CO IN CASES 3698 AND 3699=

J C MCCLURE MGR WESTERN REGION CITIES SVC OIL CO=

H AND S 3698 3699=

OFFICE 000

State of New Mexico
Oil Conservation Commission



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

December 22, 1967

Re: Case No. 3698
Order No. R-3356
Applicant:
H & S Oil Company

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

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

Carbon copy of order also sent to:

Other unit division - Land Office