

CASE 1123: Gulf Oil Corp. application for
200 acre NS gas proration unit, Eumont Gas
Pool (Bertie Whitmire Well #2)

Case No.

1123

Application, Transcript,
Small Exhibits, Etc.

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

August 23, 1956

C
O
P
Y

Mr. Jack Campbell
P.O. Box 721
Roswell, New Mexico

Dear Sir:

On behalf of your client, Gulf Oil Corporation, we enclose two copies of Orders R-857 and R-858 issued August 16, 1956, by the Oil Conservation Commission in Cases 1122 and 1123, respectively, which were heard on August 7th at Santa Fe, New Mexico.

Very truly yours,

A. L. Porter, Jr.
Secretary - Director

brp
Encls.

- CASE 1120: Application of Gunsite Butte Uranium Corporation for an unorthodox gas well location in the Tapacito-Pictured Cliffs Gas Pool in exception to Paragraph (4) of the Special Rules and Regulations for said pool as set forth in Order R-794. Applicant, in the above-styled cause, seeks an order authorizing an unorthodox location for a gas well to be drilled by applicant in the NW/4 of Section 3, Township 25 North, Range 3 West, Rio Arriba County, New Mexico.
- CASE 1121: Application of Gulf Oil Corporation for an order granting permission to convert its G. C. Matthews Well No. 6 into a salt water disposal well in the San Andres formation of the Monument Pool in accordance with New Mexico Oil Conservation Commission Statewide Rule 701. Applicant, in the above-styled cause, seeks an order granting permission to convert its G. C. Matthews Well No. 6 located 1650 feet from the South line and 990 feet from the East line of Section 6, Township 20 South Range 37 East, Lea County, New Mexico, into a salt water disposal well. Said well is presently completed in the Monument-Blinebry Pool, but it is proposed to plug back to the lower portion of the San Andres formation of the Monument Pool for water disposal. Applicant proposes to inject salt water through perforated 7 inch casing at intervals from 4300 to 4620 and 4670 to 4720 feet.
- CASE 1122: Application of Gulf Oil Corporation for approval of a non-standard gas proration unit in the Blinebry Gas Pool in exception to Rule 5 (a) of the Special Rules and Regulations for the Blinebry Gas Pool as set forth in Order R-610. Applicant, in the above-styled cause, seeks an order authorizing a 160 acre non-standard gas proration unit in the Blinebry Gas Pool comprising the E/2 SW/4, SW/4 SW/4, and SW/4 SE/4 Section 23, Township 22 South, Range 37 East, Lea County, New Mexico; said unit to be dedicated to applicant's O. I. Boyd Well No. 3 located 1980 feet from the South and West lines of said Section 23.
- CASE 1123: Application of Gulf Oil Corporation for approval of a non-standard gas proration unit in the Eumont Gas Pool in exception to Rule 5 (a) of the Special Rules and Regulations for the Eumont Gas Pool as set forth in Order R-520. Applicant, in the above-styled cause, seeks an order authorizing a 200 acre non-standard gas proration unit in the Eumont Gas Pool comprising the NE/4 and SE/4 NW/4 of Section 8, Township 20 South, Range 37 East, Lea County, New Mexico; said unit to be dedicated to applicant's Bertie Whitmire Well No. 2 located 660 feet from the North line and 1980 feet from the East line of said Section 8.

DOCKET: EXAMINER HEARING AUGUST 7, 1956

Oil Conservation Commission 10:00 a.m. Mabry Hall, State Capitol, Santa Fe

The following cases will be heard before Warren W. Mankin, Examiner:

CASE 1098: (Readvertisement) Application of Sun Oil Company for approval of an unorthodox location and a non-standard drilling unit for its B. T. Lanehart Well No. 3 in the Crosby-Devonian Pool in exception to Section 2 (a) and (b) of the Special Rules and Regulations for the Crosby-Devonian Pool as set forth in Order R-639. Applicant, in the above-styled cause seeks an order authorizing an unorthodox location for its B. T. Lanehart Well No. 3 at a point 330 feet from the South and East lines of Section 20, Township 25 South, Range 37 East in the Crosby-Devonian Pool, Lea County, New Mexico; and furthermore to authorize an 80 acre non-standard drilling unit for said well consisting of the E/2 of the SE/4 of said Section 20. The proposed well is projected as an oil well rather than a gas well.

CASE 1117: Application of Richardson and Bass, a partnership, for approval of its proposed Little Eddy Unit Agreement located in Eddy and Lea Counties, New Mexico, in accordance with Rule 507 of the New Mexico Oil Conservation Commission Statewide Rules and Regulations. Applicant, in the above-styled cause, seeks an order granting approval of its proposed Little Eddy Unit Agreement embracing 54,044 acres, more or less, of federal, state and fee lands situated in Townships 21 and 22 South, Range 31 East; Townships 19, 20, 21 and 22 South, Range 32 East; Townships 19 and 20 South, Range 33 East, all in Lea and Eddy Counties, New Mexico.

CASE 1118: Application of Humble Oil and Refining Company for approval of its proposed Railroad Mountain Unit Agreement in Chaves County, New Mexico, in accordance with Rule 507 of the New Mexico Oil Conservation Commission Statewide Rules and Regulations. Applicant, in the above-styled cause, seeks an order granting approval of its proposed Railroad Mountain Unit Agreement embracing 4,217 acres, more or less, of fee and federal lands comprising the S/2 of Section 31, Township 7 South, Range 31 East, and All of Sections 5, 6, 7, 8, 17 and 18, Township 8 South, Range 31 East, Chaves County, New Mexico.

Dismissed
CASE 1119: Application of V. F. Knickerbocker for approval of his proposed North Bagley Unit Agreement in Lea County, New Mexico, in accordance with Rule 507 of the New Mexico Oil Conservation Commission Statewide Rules and Regulations. Applicant, in the above-styled cause, seeks an order granting approval of his proposed North Bagley Unit Agreement embracing 1,440 acres, more or less, of fee and state lands, comprising All of Sections 9 and 10, and the NW/4 of Section 11, Township 11 South, Range 33 East, Lea County, New Mexico.



PETROLEUM AND ITS PRODUCTS

GULF OIL CORPORATION

P.O. DRAWER 1290 FORT WORTH 1, TEXAS

B. E. THOMPSON
DIVISION PRODUCTION MANAGER

On 8/8/56
FORT WORTH
PRODUCTION DIVISION

June 25, 1956

Re: Application for 200-Acre Gulf-Cities Service Non-Standard Gas Proration Unit, Eumont Gas Pool, Comprising NE/4 and SE/4 of NW/4 of Section 8, T-20-S, R-37-E, Lea County, New Mexico

Oil Conservation Commission
State of New Mexico
Santa Fe, New Mexico

Gentlemen:

On March 3, 1956, the New Mexico Oil Conservation Commission issued Administrative Order NSP-240, approving a 160-acre Non-Standard Gas Proration Unit, consisting of the W/2 NE/4, SE/4 NE/4 and SE/4 NW/4 of Section 8, T-20-S, R-37-E, Lea County, New Mexico. Subsequent to the issuance of this order, an agreement has been executed by Gulf and Cities Service unitizing the above described acreage. Therefore, Gulf Oil Corporation hereby makes application for approval of a 200-acre Non-Standard Gas Proration Unit comprising the NE/4 and SE/4 of NW/4 of Section 8, T-20-S, R-37-E, Lea County, New Mexico, and in support thereof states the following facts:

- (1) Gulf Oil Corporation is owner and operator of an oil and gas lease known as its Bertie Whitmire Lease, located in the W/2 and SE/4 of the NE/4 and SE/4 of NW/4 of Section 8, T-20-S, R-37-E, Lea County, New Mexico. Cities Service Oil Company is the owner and operator of an oil and gas lease known as its D. L. Laughlin Estate Lease, located in the NE/4 of the NE/4 of Section 8, T-20-S, R-37-E, Lea County, New Mexico. The Gulf and Cities Service leases comprise the 200 acres above described.
- (2) Gulf Oil Corporation proposes that the above described acreage be established as a Non-Standard 200-Acre Gas Proration Unit in exception to Rule 5(a) of Order R-520.
- (3) Gulf Oil Corporation is the owner and operator of the Bertie Whitmire Well No. 2, located 660' from the North line and 1,980' from the East line of Section 8, T-20-S, R-37-E, Lea County, New Mexico, which was completed in the Eumont Gas Pool on January 13, 1956. The applicant proposes to use this well as the unit well.

- (4) Gulf Oil Corporation and Cities Service Oil Company have executed an agreement to communitize their respective leases to form the 200-acre unit covered by this application. A photostatic copy of this agreement is attached for your information and file.
- (5) The proposed non-standard gas proration unit will meet the requirements of Rule 5(b) of the Oil Conservation Commission Order No. R-520 as follows:
- (a) Contiguous quarter-quarter sections will comprise the unit.
 - (b) The proposed unit lies wholly within a single governmental section.
 - (c) All acreage within the proposed unit may reasonably be presumed productive of gas.
 - (d) The length or width of the proposed unit does not exceed 5280 feet.
 - (e) By copy of this letter of application, all operators owning interests in the section in which the proposed unit is located, and all operators within 1500 feet of the proposed unit well are notified by registered mail of the intent of Gulf Oil Corporation and Cities Service Oil Company to form the proposed non-standard gas proration unit. (See attached affidavit.)

In view of the existence of the facts herein stated and compliance with the provisions of Rule 5(b) of the Oil Conservation Commission's Order No. R-520, Gulf Oil Corporation requests that the Secretary of the Commission approve the above described non-standard gas proration unit.

Respectfully submitted,

GULF OIL CORPORATION

By: 
Division Production Manager

cc: Registered Mail - Return Receipt Requested

Anderson Pritchard Oil Corporation
Box 2197
Hobbs, New Mexico

Amerada Petroleum Corporation
Attn: Mr. R. S. Christie
Box 2040
Tulsa, Oklahoma

(See Page 3 for additional distribution)

Oil Conservation Commission

C-23-56

cc: Nelson Landels, Registrar

Divco Service Oil Company
Box 97
Hobbs, New Mexico

Continental Oil Company
Box 427
Hobbs, New Mexico

Sinclair Oil & Gas Co.
Box 1470
Hobbs, New Mexico

Stanolind Oil & Gas Co.
Box 899
Roswell, New Mexico

Tidewater Associated Oil Co.
Attn: J. B. Holloway
P. O. Box 1404
Houston, Texas


Trebol Oil Company
Box 778
Lovington, New Mexico

cc: Oil Conservation Commission
P. O. Box 2045
Hobbs, New Mexico

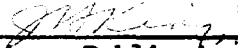
STATE OF TEXAS |

COUNTY OF TARRANT |

BEFORE ME, the undersigned authority, on this day personally appeared J. R. Sherman Division Gas Engineer of the Fort Worth Production Division of Gulf Oil Corporation, who, after being by me duly sworn, upon his oath states that, to the best of his knowledge, the statements contained in the foregoing Application of Gulf Oil Corporation, dated June 25, 1956, are true and correct and that copies of such Application were duly deposited on June 25, 1956, in the United States post office as registered mail, with all charges prepaid, addressed to each of the parties shown receiving carbon copies of such Application.


J. R. Sherman

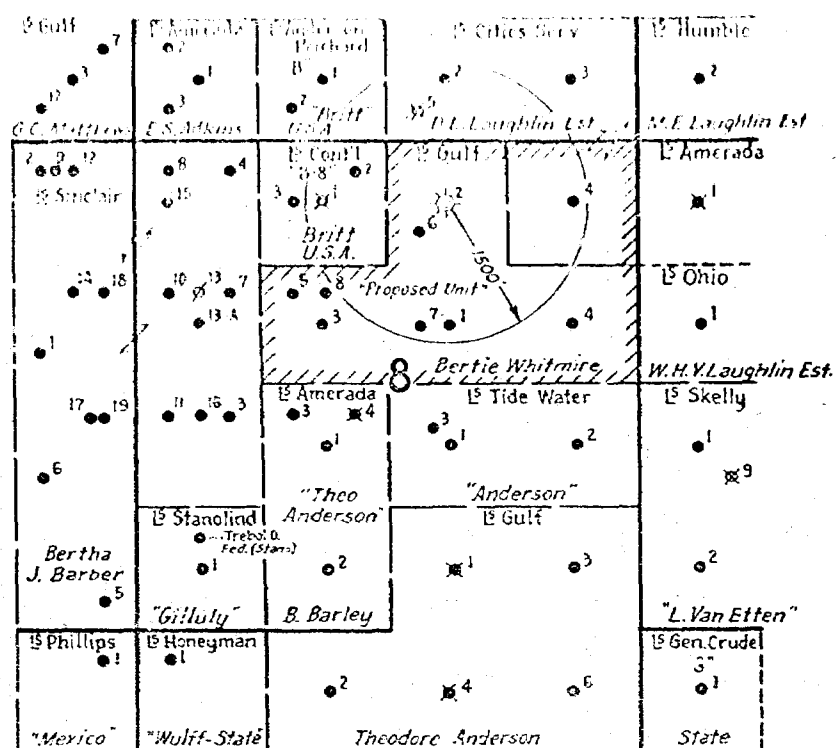
SUBSCRIBED AND SWORN to before me by the said J. R. Sherman this 25th day of June, 1956, to certify which witness my hand and seal of office.


J. H. King, Jr.
Notary Public in and for Tarrant
County, Texas

My Commission Expires:

June 1, 1957

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GULF OIL CORPORATION
NORTH OIL PRODUCTION DIVISION
Scale 1" = 2,000'

Plot accompanying Application for
200-acre Horizontal Gas Unit
(Common Gas Pool)

Gulf - Bertie Whitmire Lease - (160 acres)
Cities Service - B. J. Laughlin Est. Lease -
(40-acres)



PETROLEUM AND ITS PRODUCTS

GULF OIL CORPORATION

B. E. THOMPSON
DIVISION PRODUCTION MANAGER

DRAWER 1290 FORT WORTH 1, TEXAS

FORT WORTH
PRODUCTION DIVISION

September 25, 1956

Re: Case No. 1123
Order No. R-858

New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Attention: Mr. A. L. Porter, Jr.

Gentlemen:

The above captioned order approved and created a non-standard gas proration unit consisting of the following described acreage in the Eumont Gas Pool, Lea County, New Mexico.

NE/4 and the SE/4 of the NW/4 of Section 8,
Township 20 South, Range 37 East

This 200-acre gas unit comprises Gulf's Bertie Whitmire 160-acre lease and Cities Service Oil Company's 40-acre Laughlin Lease. Gulf's Bertie Whitmire Well No. 2 was designated as the unit well.

The Commission's order specified that the assignment of the 200-acre allowable would be contingent upon receipt by the Commission of an affidavit of communitization. On receipt of the order, we assumed the requirement for furnishing evidence of communitization had already been met, since we had previously submitted to the Commission, under date of June 25, 1956, an application for Administrative approval of the 200-acre unit, and with such application had furnished a photostatic copy of the gas pooling agreement between Gulf Oil Corporation and Cities Service Oil Company. After submitting the application for Administrative approval, we were notified that it would be necessary to have a hearing to obtain approval of this unit and during the course of the hearing, we probably should have offered as an exhibit an additional copy of the gas pooling agreement.

We are transmitting herewith two additional photostatic copies of gas pooling agreement dated January 25, 1956, between Gulf Oil Corporation and Cities Service Oil Company and this pooling agreement is being submitted in lieu of the affidavit of communitization mentioned in Order R-858. We hope that receipt of this agreement will enable the Commission

160 acre
Sept. 25

Permian
is connected on

sent copy to
Candy on 10/3/56
to increase
from 160 ac
to 200 ac on 10/3/56

Case 1123

NMOCC

- 2 -

9/25/56

to assign a 200-acre allowable to our Bertie Whitmire Well No. 2--which is presently assigned a 160-acre allowable, all of which is attributable to Gulf's Bertie Whitmire Lease.

If it is possible to do so, we request the Commission to make the 200-acre allowable effective October 1, 1956. Please advise as to your decision on this matter.

Yours very truly,



B. E. THOMPSON

cc: Cities Service Oil Company
Cities Service Building
Bartlesville, Oklahoma

Permian Basin Pipeline Company
2223 Dodge Street
Omaha 1, Nebraska

GAS POOLING AGREEMENT

THIS AGREEMENT made and entered into the 25th day of January, 1956 by and between GULF OIL CORPORATION, hereinafter called "Gulf", and CITIES SERVICE OIL COMPANY, hereinafter called "Cities Service",

WITNESSETH, that

WHEREAS, Gulf is the owner and holder of an oil and gas lease dated November 10, 1928 from Theodore Anderson and Bertie Whitmire, a bachelor, by his Attorney in Fact, E. de P. Bujac, as lessors, to E. H. Hewitt, a bachelor, as Lessee, covering the SE $\frac{1}{4}$ NE $\frac{1}{4}$, W $\frac{1}{2}$ NE $\frac{1}{4}$ and the SE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 8, Township 20 South, Range 37 East, N.M.P.M., Lea County, New Mexico; and

WHEREAS, Cities Service is the owner and holder of an oil and gas lease dated August 20, 1927 from David L. Laughlin and wife, Martha E. Laughlin, as Lessors, to M. W. Coll, as Lessee, covering the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 8, Township 20 South, Range 37 East, N.M.P.M., Lea County, New Mexico; and

WHEREAS, it is the desire of Gulf and Cities Service that this agreement cover the NE $\frac{1}{4}$ and the SE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 8, Township 20 South, Range 37 East, N.M.P.M., Lea County, New Mexico as to dry gas and associated liquid hydrocarbons produced from a gas well, as defined by the New Mexico Oil Conservation Commission, within the vertical limits of the Eumont Gas Pool, as defined in said Commission's Order No. R-520, said area hereinafter being referred to as the "Pooled Proration Unit", and

WHEREAS, in order to comply with existing rules and regulations governing gas well spacing and gas proration units, and to acquire a gas allowable for the above described pooled proration unit, it is the desire of the parties hereto to pool all leasehold and royalty interests in order to form one tract or unit, and

WHEREAS, Gulf desires to operate the pooled proration unit as an entirety for the purpose of developing and producing dry gas and associated liquid hydrocarbons in accordance with the terms and provisions of this agreement.

NOW, THEREFORE, in consideration of the premises and the mutual advantages offered by this agreement, it is mutually covenanted and agreed by and between the parties hereto that the pooled proration unit shall be developed and operated by Gulf, its successors or assigns, for the production therefrom of dry gas and associated liquid hydrocarbons as an entirety, with the understanding and agreement that the dry gas and associated liquid hydrocarbons from the pooled proration unit shall be allocated among the present or future owners of leasehold or royalty interests in the proportion that the acreage interest of each bears to the entire acreage interest committed hereto. There shall be no obligation on Gulf, or its successors or assigns, to offset any gas well or wells on separate component tracts into which such pooled proration unit is now or may hereafter be divided; nor shall Gulf, its successors or assigns be required to separately measure said dry gas or associated liquid hydrocarbons by reason of the diverse ownership of such production in and under said tract, but the lessee shall not be released from the obligation to protect said pooled proration unit from drainage by any gas well or wells which may be drilled offsetting the said tract. Payment of rentals under the terms of the leases hereinabove

mentioned and described shall not be affected by this agreement except as may be herein otherwise provided.

It is further agreed that the commencement, completion, continued operation or production of a well or wells for dry gas and associated liquid hydrocarbons on the pooled proration unit shall be construed and considered as the commencement, completion, continued operation or production from each and all of the tracts within and comprising said pooled proration unit.

It is the intention of the parties hereto that this agreement shall include and affect only dry gas and associated liquid hydrocarbons produced through a gas well or gas wells as defined by the New Mexico Oil Conservation Commission located on the pooled proration unit and shall not include or affect in any manner whatsoever any of the production of hydrocarbons from any oil well located on the pooled tracts or any of the production of hydrocarbons from other than the Eumont Gas Pool as above defined.

It is further agreed that all production of dry gas and associated liquid hydrocarbons and disposal thereof shall be in conformity with allocations made or fixed by any duly authorized person or regulatory body under applicable Federal or State statute. The provisions of this agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations which affect the performance of any of the provisions of this agreement, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from compliance with any such law, order, rule or regulation.

This agreement shall be effective as of the date upon which an allowable production allocated to the entire pooled proration unit is first produced, and shall remain in force and effect for a period of one year and so long thereafter as dry gas (with or without associated liquid hydrocarbons) is produced from any part of said pooled proration unit in paying quantities.

IN WITNESS WHEREOF, the parties hereto have executed this agreement the day and year herein first above written.

GULF OIL CORPORATION

ATTEST:

Assistant Secretary

By: _____

CITIES SERVICE OIL COMPANY

ATTEST: _____

By: _____

STATE OF Delaware)
COUNTY OF Delaware) SS

The foregoing instrument was acknowledged before me this 25
day of June, 1956 by _____
of GULF OIL CORPORATION, a Pennsylvania
corporation, on behalf of said corporation.

[Signature]
Notary Public

My Commission expires:

STATE OF Delaware)
COUNTY OF Delaware) SS

The foregoing instrument was acknowledged before me this 25
day of June, 1956 by _____
of CITIES SERVICE OIL COMPANY, a Delaware
corporation, on behalf of said corporation.

[Signature]
Notary Public

My Commission expires:



PETROLEUM AND ITS PRODUCTS

GULF OIL CORPORATION

P. O. DRAWER 1290 - FORT WORTH 1, TEXAS

B. E. THOMPSON
DIVISION PRODUCTION MANAGER

FORT WORTH
PRODUCTION DIVISION

July 10, 1956

Oil Conservation Commission
State of New Mexico
Santa Fe, New Mexico

Re: Application for 200-Acre Gulf-Cities Service
Non-Standard Gas Proration Unit, Eumont Gas
Pool, Comprising NE/4 and SE/4 of NW/4 of
Section 8, T-20-S, R-37-E, Lea County, New
Mexico

Gentlemen:

On March 3, 1956, the New Mexico Oil Conservation Commission issued Administrative Order NSP-240, approving a 160-acre Non-Standard Gas Proration Unit, consisting of the W/2 NE/4, SE/4 NE/4 and SE/4 NW/4 of Section 8, T-20-S, R-37-E, Lea County, New Mexico. Subsequent to the issuance of this order, an agreement has been executed by Gulf and Cities Service unitizing the above described acreage. Therefore, Gulf Oil Corporation hereby makes application for approval of a 200-acre Non-Standard Gas Proration Unit comprising the NE/4 and SE/4 of NW/4 of Section 8, T-20-S, R-37-E, Lea County, New Mexico, to be assigned to its Bertie Whitmire Well No. 2 in the Eumont Gas Pool. It is respectfully requested that this matter be placed on the Docket for Examiner Hearing at an early date.

The following facts are offered in support of this application:

- (1) Gulf Oil Corporation is owner and operator of an oil and gas lease known as its Bertie Whitmire Lease, located in the W/2 and SE/4 of the NE/4 and SE/4 of NW/4 of Section 8, T-20-S, R-37-E, Lea County, New Mexico. Cities Service Oil Company is the owner and operator of an oil and gas lease known as its D. L. Laughlin Estate Lease, located in the NE/4 of the NE/4 of Section 8, T-20-S, R-37-E, Lea County, New Mexico. The Gulf and Cities Service leases comprise the 200 acres above described.
- (2) Gulf Oil Corporation proposes that the above described acreage be established as a Non-Standard 200-Acre Gas Proration Unit in exception to Rule 5(a) of Order R-520.

July 10, 1956

- (3) Gulf Oil Corporation is the owner and operator of the Bertie Whitmire Well No. 2, located 660 feet from the north line and 1980 feet from the east line of Section 8, T-20-S, R-37-E, Lea County, New Mexico, which was completed in the Eumont Gas Pool on January 13, 1956. The applicant proposes to use this well as the unit well.
- (4) Gulf Oil Corporation and Cities Service Oil Company have executed an agreement to communitize their respective leases to form the 200-acre unit covered by this application.
- (5) By copy of this letter of application, all operators owning interests in the section in which the proposed unit is located, and all operators within 1500 feet of the proposed unit well are notified of the intent of Gulf Oil Corporation and Cities Service Oil Company to form the proposed non-standard gas proration unit.

Respectfully submitted,

GULF OIL CORPORATION

By: B. E. Thompson

Division Production Manager

cc: Oil Conservation Commission
P. O. Box 2045
Hobbs, New Mexico

Amerada Petroleum Corporation
P. O. Box 2040
Tulsa, Oklahoma

Anderson-Fritchard Oil Corporation
P. O. Box 2197
Hobbs, New Mexico

Cities Service Oil Company
P. O. Box 97
Hobbs, New Mexico

Continental Oil Company
P. O. Box 427
Hobbs, New Mexico

Sinclair Oil and Gas Company
P. O. Box 1470
Hobbs, New Mexico

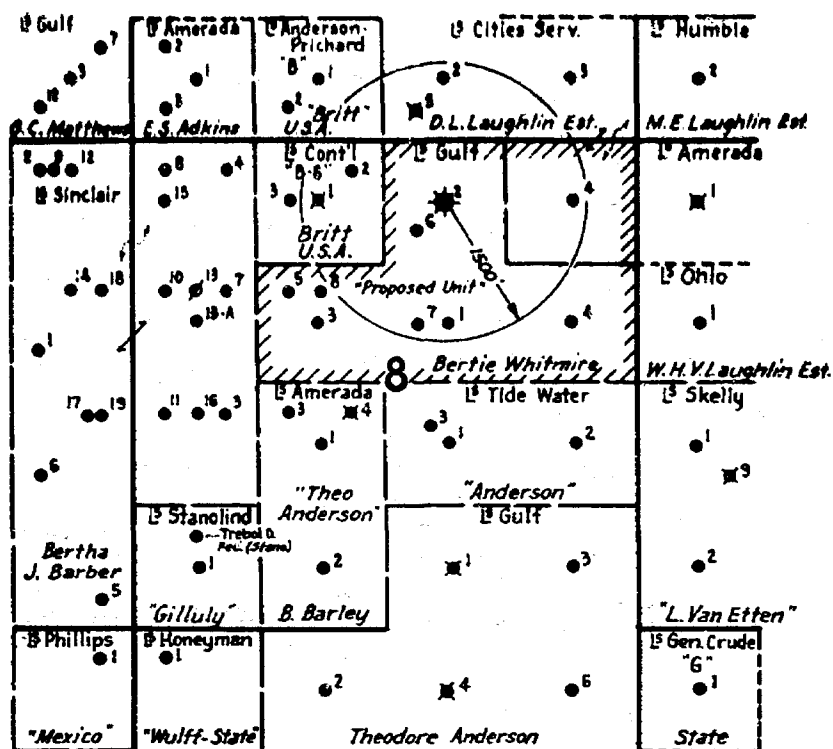
Stanolind Oil and Gas Company
P. O. Box 899
Roswell, New Mexico

Tidewater Oil Company
P. O. Box 1404
Houston, Texas

Trebol Oil Company
P. O. Box 778
Lovington, New Mexico

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GULF OIL CORPORATION
FORT WORTH PRODUCTION DIVISION
Scale 1" = 2,000'

Plat Accompanying Application for
200-Acre Non-Standard Gas Unit
(Eumont Gas Pool)

Gulf - Bertie Whitmire Lease - (160 acres)
Cities Service - D. L. Laughlin Est. Lease -
(40-acres)

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF THE STATE OF NEW
MEXICO FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 1123
Order No. R-858

THE APPLICATION OF GULF OIL
CORPORATION FOR AN ORDER
GRANTING APPROVAL OF A 200-ACRE
NON-STANDARD GAS PRODUCTION UNIT
IN THE EUMONT GAS POOL IN EXCEPTION
TO RULE 5 (a) OF THE SPECIAL RULES
AND REGULATIONS FOR THE EUMONT GAS
POOL AS SET FORTH IN ORDER R-520.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 10:00 o'clock
a.m. on August 7, 1956 at Santa Fe, New Mexico, before Warren
W. Mankin, Examiner duly appointed by the New Mexico Oil Con-
servatzion Commission, hereinafter referred to as the "Com-
mission", in accordance with Rule 1214 of the Commission's Rules
and Regulations.

NOW, on this 16th day of August, 1956, the
Commission, a quorum being present, having considered the appli-
cation, the evidence adduced and the recommendations of the
Examiner, Warren W. Mankin, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as
required by law, the Commission has jurisdiction of this case
and the subject matter thereof.

(2) That Gulf Oil Corporation and Cities Service
Oil Company are the owners of certain patented oil and gas leases
in Lea County, New Mexico, a portion of which is described as
follows:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPL
NE/4, and the SE/4 NW/4 of Section 8

containing 200 acres, more or less.

(3) That Gulf Oil Corporation and Cities Service
Oil Company have entered into an agreement to communitize their
respective interests in the aforesaid acreage.

(4) That the communitization of the aforesaid acreage will promote conservation and protect correlative rights.

(5) That applicant, Gulf Oil Corporation is the owner and operator of a gas well on the aforesaid acreage known as the Bertie Whitmire Well No. 2, located 660 feet from the North line and 1930 feet from the East line of said section 8, which is producing from the Eumont Gas Pool.

(6) That unless the subject communitization agreement and non-standard gas proration unit are approved, Gulf Oil Corporation and Cities Service Oil Company will be deprived of the opportunity to recover their just and equitable share of the natural gas in the Eumont Gas Pool.

(7) That creation of the proposed proration unit will not cause but will prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the application of Gulf Oil Corporation for approval of a non-standard gas proration unit consisting of the following described acreage in the Eumont Gas Pool, Lea County, New Mexico.

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM
NE/4, and the SE/4 NW/4 of Section 8

consisting of 200 acres, more or less, be and the same is hereby approved and created.


(2) That, contingent upon receipt by the Commission of an affidavit of communitization, the Gulf Oil Corporation's Bertie Whitmire Well No. 2, located in the NW/4 NE/4 of said Section 8 shall be designated as the unit well for the aforesaid proration unit and be granted an allowable in accordance with Rule 8 of Order R-520 in the proportion that the above-described 200 acres bears to the standard proration unit for the Eumont Gas Pool.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JOHN F. SIMMS, Chairman


E. S. WALKER, Member


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



BEFORE THE
Oil Conservation Commission
SANTA FE, NEW MEXICO
August 7, 1955

IN THE MATTER OF:

CASE NO. 1123 (Examiner Hearings)

TRANSCRIPT OF PROCEEDINGS

DEARNLEY-MEIER AND ASSOCIATES
COURT REPORTERS
605 SIMMS BUILDING
TELEPHONE 3-6691
ALBUQUERQUE, NEW MEXICO

NEW MEXICO OIL CONSERVATION COMMISSION
MAYNARD HALL - STATE CAPITOL
SANTA FE, NEW MEXICO

REGISTER

HEARING DATE August 7, 1956 TIME: 10:00 a.m.

NAME:	REPRESENTING:	LOCATION:
R. M. Richardson	Humble Oil Co.	Roswell, N. M.
E. M. McQueen	Shell Oil Co.	Hubbs, N. M.
A. A. Phillips	Humble Oil & Ref. Co.	Roswell, N. Mex.
H. A. Merrill	Sinclair	" "
W. B. Abbott	Amerasia Pet. Corp.	Monument, N. Mex.
R. M. Anderson	Sinclair	Midland & Tex.
L. A. Webb	✓	✓
James H. Hight	Richardson & Bass & Humble	Torrill.
C. C. Harlan Jr.	WARRIN Pet. Corp.	Roswell
Bryce Bass	Richardson & Bass	Ft. Worth, Tex.
Jack M. Campbell	Campbell & Russell	Roswell, N. M.
E. K. Gilbreth Sr.	Exxon Oil	Roswell
Winston Eddington	—	Hubbs
Jim Walker	—	Fort Worth
Howard Jennings	Richardson & Bass	Roswell, N. M.
W. T. Lyon	CONTINENTAL OIL CO.	ROSWELL, N. M.
Jason Kellahan	attorney	Santa Fe, N. Mex.
W. H. Quinn Jr.	National Petroleum Co.	Hubbs, N. M.
Jason Kellahan	Ralph Lowe	Santa Fe

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
August 7, 1956

IN THE MATTER OF:

Application of Gulf Oil Corporation
for approval of a non-standard gas
proration unit in the Eumont Gas
Pool in exception to Rule 5 (a) of
the Special Rules and Regulations
for the Eumont Gas Pool as set forth
in Order R-520. Applicant, in the
above-styled cause, seeks an order
authorizing a 200 acre non-standard
gas proration unit in the Eumont Gas
Pool comprising the NE/4 and SE/4
NW/4 of Section 8, Township 20 South,
Range 37 East, Lea County, New Mexico;
said unit to be dedicated to appli-
cant's Bertie Whitmire Well No. 2
located 660 feet from the North line
and 1980 feet from the East line of
said Section 8.

Case No. 1123

BEFORE:

Warren W. Mankin, Examiner

TRANSCRIPT OF HEARING

MR. MANKIN: The next and last case is No. 1123.

(Mr. Mankin thereupon read the title of the within case.)

MR. CAMPBELL: Mr. Jack M. Campbell of Campbell and Russell,
of Roswell, New Mexico, appearing on behalf of Gulf Oil Corporation.
We have one witness to be sworn.

(The witness was sworn by Mr. Mankin.)

MR. DON WALKER

a witness, having been first duly sworn, testified as follows:

DIRECT EXAMINATION

By MR. CAMPBELL:

Q State your name, please?

A Don Walker of the Gulf Oil Corporation for the Ft. Worth Division. I am Proration Engineer for Gulf, and I live at Harlingen, Texas.

Q Have you testified on previous occasions before this Commission?

A Yes, sir.

MR. CAMPBELL: Are the witness's qualifications acceptable to the Commission?

MR. MANKIN: They are.

Q Mr. Walker, in your capacity with Gulf Oil Corporation, are you acquainted with the application in Case No. 1123 before this Commission?

A Yes, sir.

Q I hand you what has been marked Gulf's Exhibit No. "1" in Case No. 1123 and ask you to state what that is?

A This is a plat of the lease concerned which is our Bertie Whitmire Lease, 160 acres, located in Section 8, Township 20 South, Range 37 East, which is indicated in red on the plat, and also 40 acres of ~~Cities~~ Service Laughlin Estate Lease -- Gulf and ~~Cities~~ Service ^{they} have a signed agreement and/have joined their 40 with our 160 to make a non-standard proration unit of 200 acres.

Q Can you give the location of the proposed unit well, please?

A Yes, sir. The well is located 660 feet from the north line and 1980 feet from the east line of Section 8, Township 20 South, Range 37 East, in Lea County, New Mexico

Q Is the well not productive within the vertical and horizontal limits of the Eumont Gas Pool?

A It is, sir.

Q Will you give a brief production history of this well?

A It was originally completed February 11, 1956, at a total depth of 3891 feet, the producing interval being from 3720 to 3891 feet in the Upper San Andres formation of the Monument Oil Pool; seven-inch casing was set and cemented at 3822 feet. On January 13, this year, this well was successfully dually completed so as to produce gas from the Queen Formation of the Eumont Gas Pool. The seven-inch casing was perforated from 3217 to 3290 and 3330 to 3365, the packer being set at 3715. The present producing interval at the Monument oil zone is 3760 to 3790.

Q Do you have any information on the present capacity of the well to produce?

A Yes, sir. this well which is tied into the Permian Basin pipeline complete gathering system. It was tied in on February 12th of this year, and had a maximum flow on initial depth of 9,120 m.c.f. and back pressure 825 pounds.

Q I hand you what has been marked Gulf's Exhibit No. 2 in Case No. 1123 and ask you to state what that is.

A This is a radio active Lane Wells log on the well which shows the flow to that depth and so forth, but gives the top of the Yates, the top of the Seven Rivers, the top of the Queen, the

perforated interval in the Queen pay, and the present Monument pay interval.

Q I hand you Gulf's Exhibit No. 3 in Case No. 1123 and ask you to state what that is, please?

A This is a contour structural map on top of the Queen formation which has been overlaid on this plat to show the contours covering the proposed unit. Also outlined is the Gulf Bertie Whitmire Lease and the Cities Service, and the proposed Well No. 2.

Q I hand you Gulf's Exhibit No. 4 in Case No. 1123, and ask you to state what that is?

A Exhibit four is merely another plat of the general area or the area within a mile or so of the proposed unit, and we have outlined in green the now-approved--or as far as I can tell, the now-approved--gas proration units in the Eumont Pool which, as indicated there, our proposed unit is completely surrounded by presently approved Eumont units.

Q I note this plat and the previous one indicate a 40-acre tract in the unit in which Cities Service is a working interest owner?

A Yes, sir.

Q Have you and Cities Service executed a pool agreement by which that interest was pooled for the purpose of establishing a casing unit?

A Yes, an agreement has been reached and it is all signed and ready to become effective as soon as this case is approved.

Q And you will furnish the Commission with either a copy of the agreement or an affidavit that such agreement has been executed?

A Yes, sir.

Q Based upon your knowledge of this proposed unit, upon the log and the contour and the presently existing gas units surrounding the proposed unit, is it your opinion that the entire unit may be reasonably presumed to be productive of gas?

A Yes, sir.

Q And all off set operators have been notified in connection with this application?

A They have, sir.

Q In your opinion, will any waste result if this application is approved?

A No.

Q Will the correlative rights of Gulf Oil Corporation be protected if such application is approved?

A Yes.

Q In your opinion will the correlative rights of any other owners or operators in the area be adversely affected if the application is approved?

A They will not. As indicated in the application Gulf is the owner and operator of the Bertie Whitmire Lease and the mineral -- it is fee land and the state hasn't been involved in this.

MR. CAMPBELL: I would like to offer in evidence Gulf's Exhibits 1,2,3, and 4 in Case No. 1123.

MR. MANKIN: Without objection Exhibits 1, 2, 3, and 4, will be entered in evidence. The only question I have Mr. Walker is this: Is this well, does it now have any limits, to your knowledge, that is the gas well?

A No, it is not limited.

MR. MANKIN: It is completely within the horizontal and vertical limits of the Eumont Pool?

A Yes, sir.

MR. MANKIN: Are there any other questions, if not, the witness will be excused and the hearing will be adjourned.

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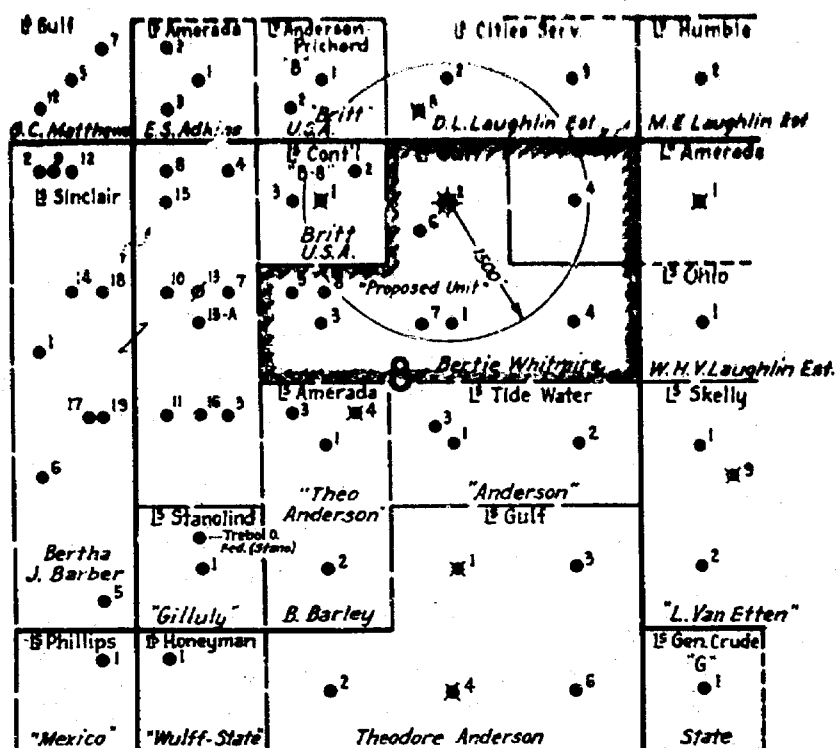
STATE OF NEW MEXICO)
COUNTY OF SANTA FE) : SS.

I, DOROTHY B. MYERS, a Court Reporter, do hereby certify the foregoing and attached transcript of proceedings before the Oil Conservation Commission for the State of New Mexico, was reported by me in shorthand and reduced to typewritten transcript by me or under my personal supervision, and that the same is a true and complete record to the best of my knowledge, skill and ability.

WITNESS my hand and seal this 5 day of Sept,
1956.

Dorothy B. Myers
Court Reporter

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BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
EXHIBIT No. 1123
CASE 1123

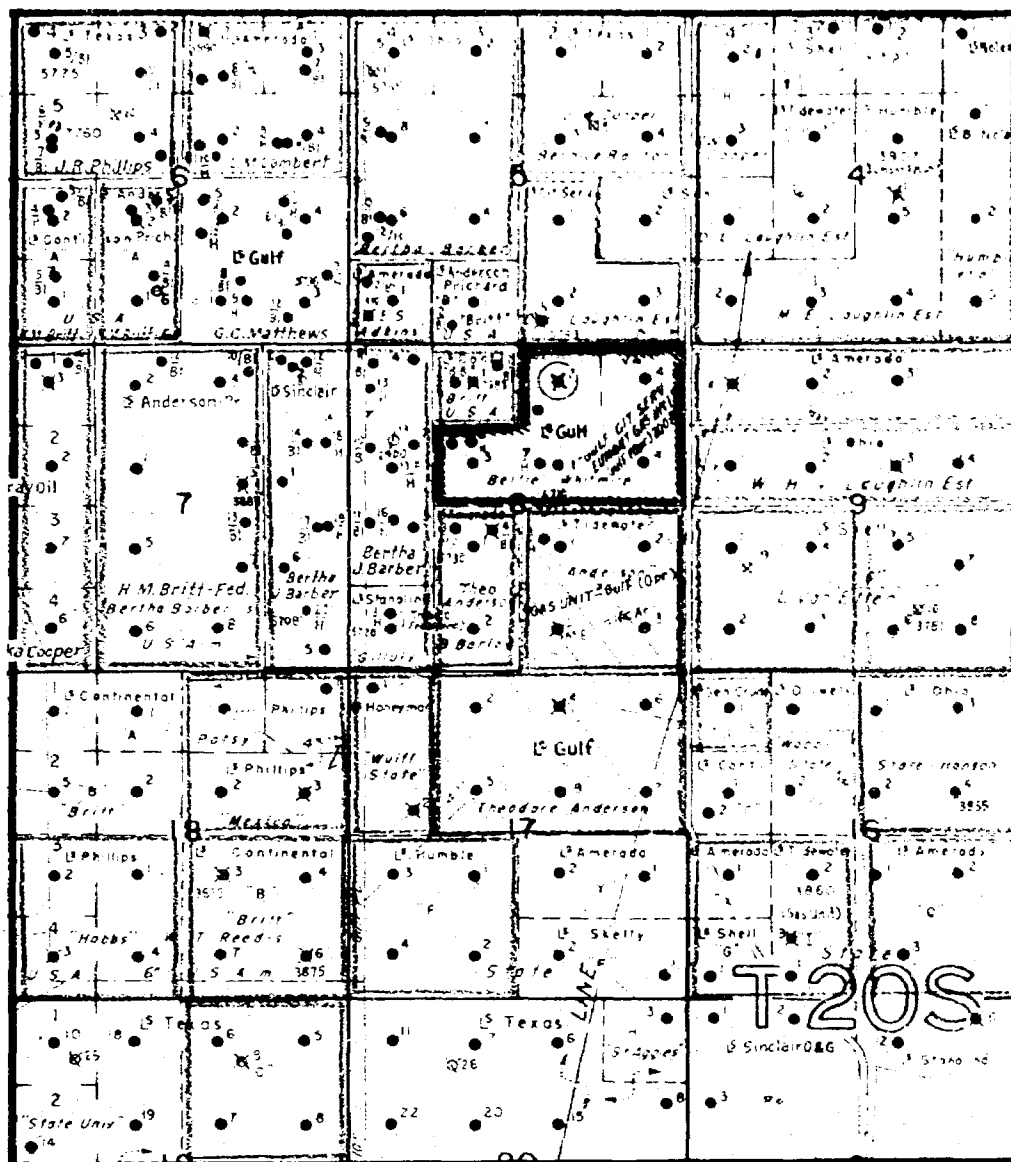
GULF OIL CORPORATION
FORT WORTH PRODUCTION DIVISION
Scale 1" = 2,000'

Plat Accompanying Application for
200-Acre Non-Standard Gas Unit
(Eumont Gas Pool)

Gulf - Bertie Whitmire Lease - (160 acres)
Cities Service - D. L. Laughlin Est. Lease -
(40-acres)

Case No. 1123

Ex. No. 1



Gulf Oil Corporation
Fort Worth Production Division

Proposed 200-Acre Non-Standard Eumont Gas Unit
Assigned to Gulf's Bertie Whitmire Well No. 2

Scale 1" = 3000'

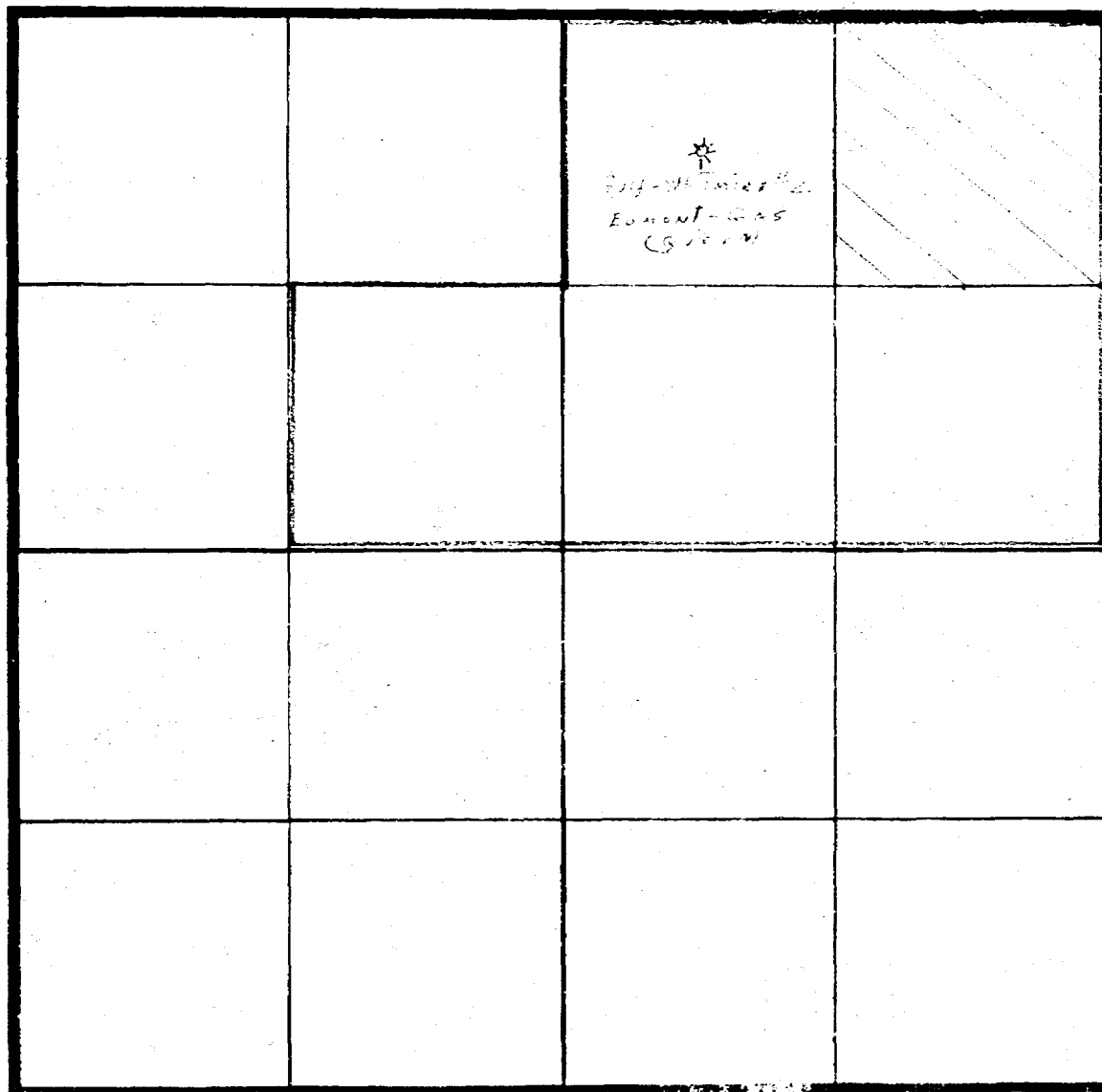
Case No. 1123

Ex 4

RECEIVED
FRICTION DIVISION
JUN 11 1963
1123

Sec _____ Township No _____ of Range No _____

F-205-37E



N.S.P. #240 for NE/4.

Add SE/4 NW/4 description to Rule 5(a) R520

8- Added to #240