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BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF)
GULF OIL CORPORATION AND WESTERN)
OIL FIELDS, INC. FOR A COMPULSORY)
POOLING ORDER AS TO GAS IN THE)
BLINEBRY AND TUBB GAS POOLS UNDER)
THE NE/4 SECTION 25, TOWNSHIP 22)
SOUTH, RANGE 37 EAST, N.M.P.M.,)
LEA COUNTY, NEW MEXICO.)

No. 1263

A P P L I C A T I O N

Come now Applicants, Gulf Oil Corporation, hereinafter called Gulf, and Western Oil Fields, Inc., hereinafter called Western, and show to the Commission:

1. Gulf is the owner and holder of an oil and gas lease dated April 3, 1944, from Ella E. Drinkard covering among other lands the N/2 of the NE/4 of Section 25, Township 22 South, Range 37 East, N.M.P.M., Lea County, New Mexico, said lease providing for a royalty of 1/8th of 8/8ths on oil and gas.

2. Western is the owner and holder of an oil and gas lease dated March 11, 1950, from Allen M. Drinkard and others covering among other lands the S/2 of the NE/4 of said Section 25, said lease providing for a royalty of 3/16ths of 8/8ths on oil and gas.

3. Allen M. Drinkard, Vivian H. Drinkard and Amanda E. Sims, as tenants in common, own all of the oil and gas royalties provided in said leases.

4. Prior to March 1, 1955, Gulf and Western in order to protect their correlative rights and comply with Order R-610 and R-586 of the Commission entered into an informal agreement for the pooling of all of their interests in the NE/4 of said Section 25 as to gas to be developed and produced from gas wells within the vertical limits of the Blinebry and Tubb Gas Pools. Said informal agreement was formalized by written agreement executed July 6, 1956, between Gulf and Western by which said parties pooled all of their interests in said tract as to gas to be developed and produced from gas wells

1 within the vertical limits of the Blinebry Gas Pool and within the
2 vertical limits of the Tubb Gas Pool, said units to be known as
3 pooled proration units. In said agreement Western is designated
4 as the operator. Said agreement provides for the allocation of the
5 dry gas and associated liquid hydrocarbons produced from said gas
6 pools among the present or future owners of leasehold or royalty
7 interests in the proportion that the acreage interest of each bears
8 to the entire acreage in the NE/4 of said Section 25.

9 5. Allen M. Drinkard, Vivian H. Drinkard and Amanda E. Sims
10 have each and all refused to consent to or ratify the pooling
11 agreement.

12 6. Prior to March 1, 1955, Western completed a Blinebry gas
13 well 660 feet from the east line and 1980 feet from the north line
14 of said Section 25 and a Tubb gas well 1980 feet from the north
15 line and 1980 feet from the east line of said Section 25, and as of
16 March 1, 1955, Western on the basis of the informal pooling agree-
17 ment applied for and was assigned by the Commission a 160-acre unit
18 allowable from each of said gas wells and said allowable is still
19 in effect. The total working interest production from said wells
20 has at all times since March 1, 1955, been allocated one-half to
21 Gulf and one-half to Western under their pooling agreement but
22 Gulf's share of the production has been held in suspense because of
23 the refusal of the above named royalty owners to consent to the
24 pooling agreement.

25 7. The above named royalty owners claim that they are entitled
26 to receive 3/16ths of all gas and associated liquid hydrocarbons
27 produced from Western's said Tubb and Blinebry gas wells although
28 one-half of the total production from said wells is allocated to
29 Gulf by reason of its ownership of one-half of the total acreage
30 in each of the above described units and under Gulf's said lease
31 the royalty owners are entitled to receive only 1/8th of Gulf's
32 share of said production.

1 8. Gulf has no gas wells on its lease covering the N/2 of the
2 NE/4 of said Section 25 but will contribute its fair share to the
3 costs of Western's gas wells. Western and Gulf will each suffer
4 great economic loss if Gulf is required to drill gas wells in the
5 Tubb and Blinebry Pools in order to obtain its fair share of the
6 production from said pools. Western's gas wells will efficiently
7 drain all of the gas underlying and properly belonging to the
8 NE/4 of said Section 25 from each of the Tubb and Blinebry Gas Pools,
9 as is found by the Commission in its said Orders R-586 and R-610.

10 9. The royalty interests of Allen M. Drinkard, Vivian H.
11 Drinkard and Amanda E. Sims will not be adversely affected by the
12 compulsory pooling of all of their royalties in the respective units
13 provided by the pooling agreements.

14 10. In order to protect the correlative rights of the Applicants
15 herein and to avoid the drilling of unnecessary wells, it is
16 necessary that the royalty interests under the above described oil
17 and gas leases be pooled by Commission order.

18 WHEREFORE APPLICANTS REQUEST that the Commission enter its
19 order pooling all interests underlying the NE/4 of Section 25,
20 Township 22 South, Range 37 East, Lea County, New Mexico, within
21 the vertical limits of the Blinebry Gas Pool and within the vertical
22 limits of the Tubb Gas Pool.

23 Respectfully submitted,

24 GULF OIL CORPORATION

25 BY CAMPBELL & RUSSELL

26 BY Jack M. Campbell
27 Attorneys
Roswell, New Mexico

28 WESTERN OIL FIELDS, INC.

29 BY REESE, McCORMICK, LUSK & PAINE

30 BY Geo. L. Reese
31 Attorneys
32 Carlsbad, New Mexico

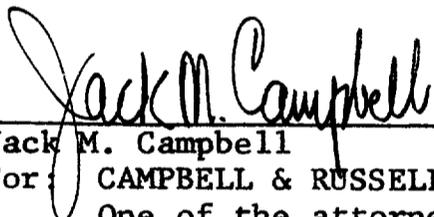
BEFORE THE OIL CONSERVATION COMMISSION
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SOUTH, RANGE 37 EAST, N.M.P.M.,)
LEA COUNTY, NEW MEXICO.)

No. 1263

CERTIFICATE

COMES NOW Jack M. Campbell, one of the attorneys for Applicants, and certifies to the Oil Conservation Commission of the State of New Mexico that on the 24th day of May, 1957, he mailed a copy of the Application in this case to Allen M. Drinkard, Post Office Box 45, Unice, New Mexico, Vivian H. Drinkard, Post Office Box 45, Unice, New Mexico, and Amanda E. Sims, Post Office Box 45, Unice, New Mexico, which is the last known address of Allen M. Drinkard, Vivian H. Drinkard, and Amanda E. Sims.



Jack M. Campbell
For: CAMPBELL & RUSSELL
One of the attorneys for Applicants.

NEW MEXICO OIL CONSERVATION COMMISSION

Well Location and Acreage Dedication Plat

Section A.

Date _____

Operator Western Oil Fields, Inc Lease Drinkard
Well No. 445 Unit Letter H&G Section 25 Township 22S Range 37E NMPM
Located 1980 & 1980 Feet From North Line, 660 & 1480 Feet From East Line
County Lea G. L. Elevation _____ Dedicated Acreage 160 & 160 Acres
Name of Producing Formation _____ Pool Blinbury & Tubbs

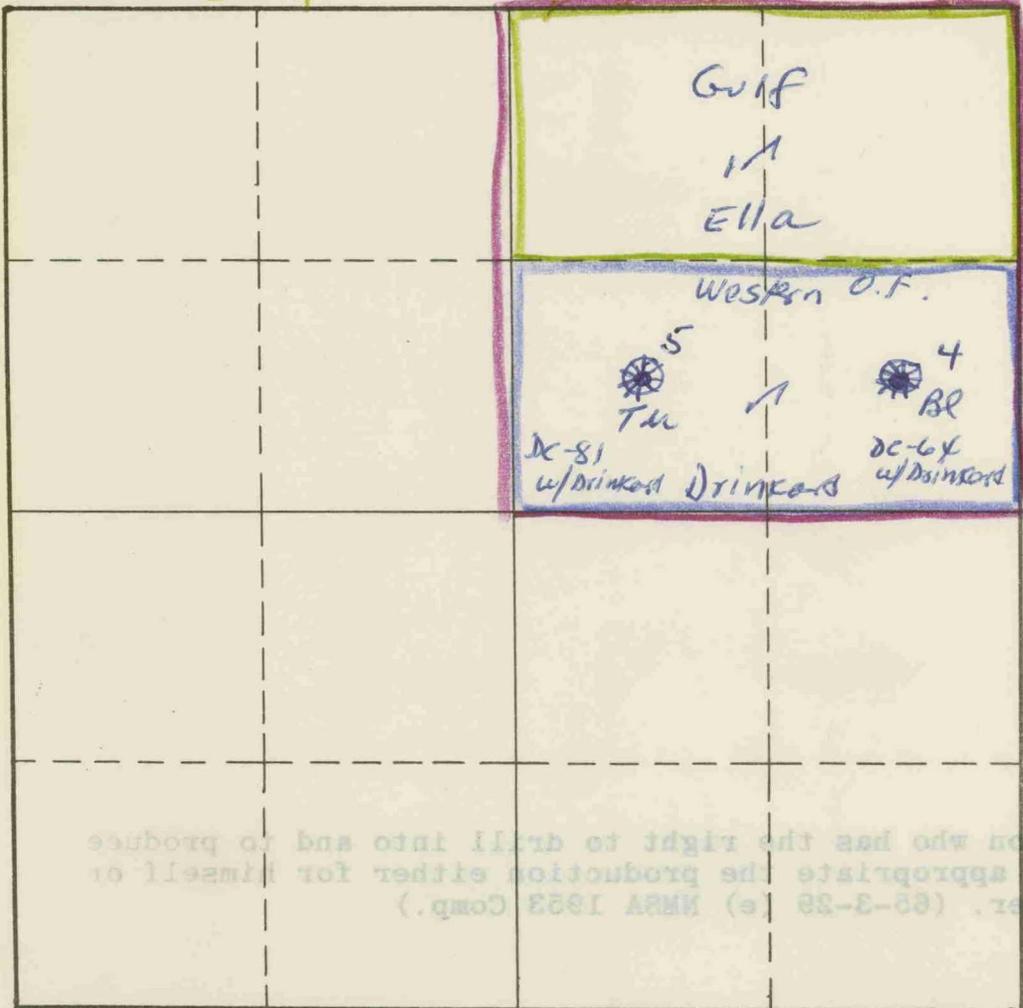
1. Is the Operator the only owner* in the dedicated acreage outlined on the plat below?
Yes _____ No _____.
2. If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? Yes _____ No _____. If answer is "yes," Type of Consolidation _____
3. If the answer to question two is "no," list all the owners and their respective interests below:

Owner

Land Description

DESIRE FORCE Pool of NET 1/4 of 160 ac for Blinbury & Tubbs
160 ac Now Dedicated to both Blinbury & Tubbs
Western Acreage of 1/2 NET 1/4 of 80 ac
Gulf Acreage of 1/2 NET 1/4 of 80 ac

Section B



This is to certify that the information in Section A above is true and complete to the best of my knowledge and belief.

(Operator)

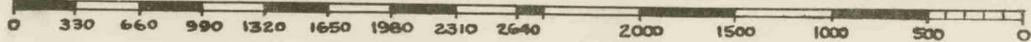
(Representative)

Address

This is to certify that the well location shown on the plat in Section B was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed _____

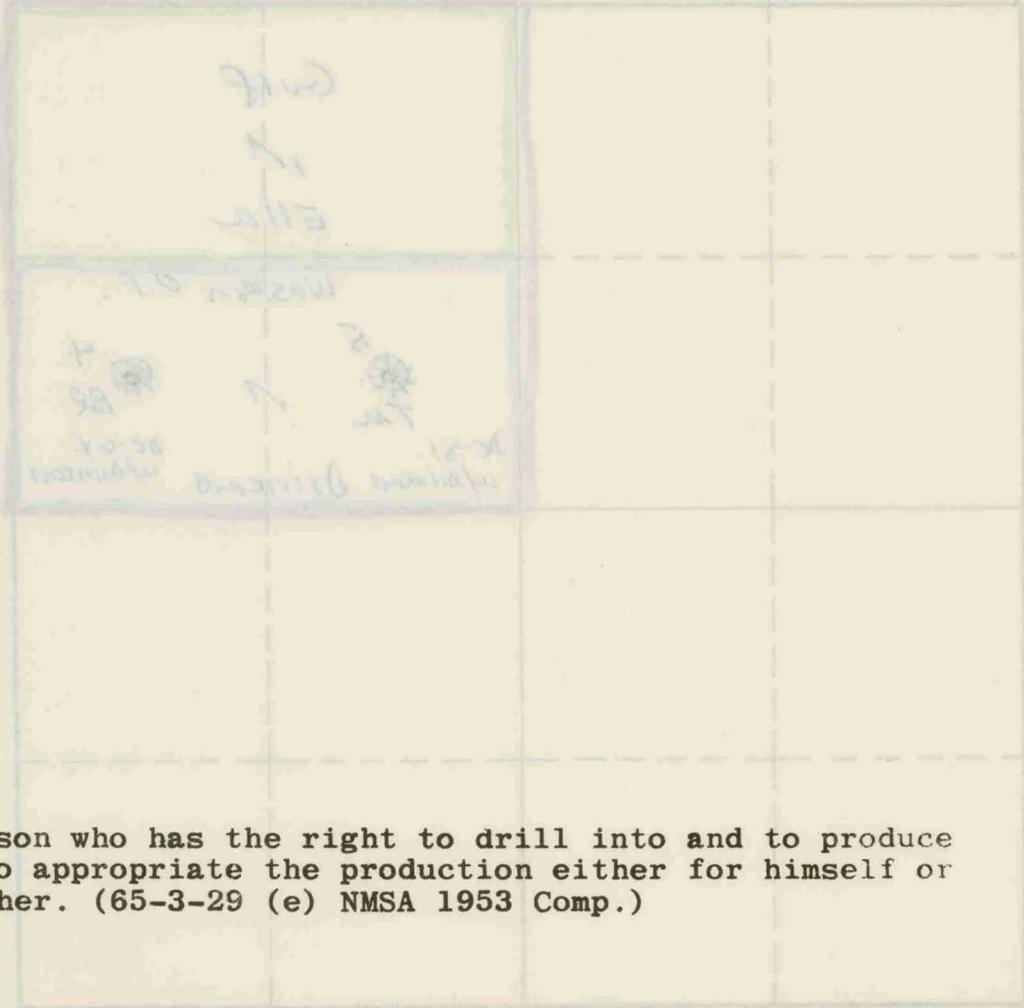
Registered Professional Engineer and/or Land Surveyor.



INSTRUCTIONS FOR COMPLETION:

1. Operator shall furnish and certify to the information called for in Section A.
2. Operator shall outline the dedicated acreage for both oil and gas wells on the plat in Section B.
3. A registered professional engineer or land surveyor registered in the State of New Mexico or approved by the Commission shall show on the plat the location of the well and certify this information in the space provided.
4. All distances shown on the plat must be from the outer boundaries of Section.
5. If additional space is needed for listing owners and their respective interests as required in question 3, Section A, please use space below

Section B
Owner
Land description



This is to certify that the information in Section A above is true and complete to the best of my knowledge and belief.

(Operator)
(Representative)
Address

This is to certify that the well location shown on the plat in Section B was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my knowledge and belief.

* "Owner" means the person who has the right to drill into and to produce from any pool and to appropriate the production either for himself or for himself and another. (65-3-29 (e) NMSA 1953 Comp.)

Registered Professional Engineer and/or Land Surveyor