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KELLAHIN and KELLAHIN
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El Patio - 117 North Guadalupe
Post Office Box 2265
Santa Fe, New Mexico 87504-2265

Telephone 982-4285
Area Code 505

September 27, 1984

RECEIVED

OCT 3 - 1984

Mr. Richard L. Stamets
Acting Director
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

OIL CONSERVATION DIVISION

"Hand Delivered"

Re: Gulf Oil Exploration and Production Company

Dear Mr. Stamets

On behalf of Gulf, please find enclosed the following three applications:

- (1) Application of Gulf Exploration and Production Corporation for Statutory Unitization, Eunice Monument South Unit, Lea County, New Mexico;
- (2) Application of Gulf Exploration and Production Company for Authority to Institute a Waterflood Project for the Eunice Monument South Unit, Lea County, New Mexico; and
- (3) Application of Gulf Exploration and Production Corporation for Extension of the Vertical Limits of the Eunice-Monument Oil Pool underlying the Eunice Monument South Unit, Lea County, New Mexico.

Also, in connection with the Waterflood Project Application, please find enclosed the completed Division Order C-108 with enclosures.

I would appreciate you scheduling this applications for a Commission hearing on November 8, 1984. If that date is not convenient for you, please let me know so that we can discuss an alternate date.

Best regards,



W. Thomas Kellahin

WTK:ca
Enc.

KELLAHIN and KELLAHIN

Mr. Richard L. Stamets
September 27, 1984
Page 2

cc: John Frank
Gulf Oil Corporation
P. O. Box 1150
Midland, Texas 79702

David Berlin
Gulf Oil Corporation
P. O. Box 1150
Midland, Texas 79702

Gulf Oil Exploration and Production Company

WESTERN DIVISION

L. A. Turner
GENERAL MANAGER
PRODUCTION OPERATIONS

P. O. Drawer 1150
Midland, TX 79702

September 24, 1984

RECEIVED

OCT 3 - 1984

OIL CONSERVATION DIVISION

State of New Mexico
Department of Energy and Minerals
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. R. L. Stamets, Acting Director

PCAR 8397

Gentlemen:

Re: Applications for Commissioners'
Hearing for
Eunice Monument South Unit,
Lea County, New Mexico

Gulf Oil Corporation respectfully requests that our attached applications concerning the proposed Eunice Monument South Unit, Lea County, New Mexico, be set for the earliest scheduled Commissioners' Hearing in November, 1984. The attached applications, each for separate docketing, are for Statutory Unitization, Authority to Institute a Waterflood Project, and the Extension of the Vertical Limits of the Eunice-Monument Oil Pool for the proposed Eunice Monument South Unit.

The proposed Eunice Monument South Unit area consists of 14,189.84 acres, more or less, comprising approximately 357 40-acre units divided into 101 individual tracts. The proposed vertical interval to be unitized shall include the formations from a lower limit defined by the base of the San Andres formation, to an upper limit defined by the top of the Grayburg formation or a -100 foot subsea datum, whichever is higher.

The purpose for forming the Eunice Monument South Unit is to provide for secondary recovery operations to substantially increase the ultimate recovery of oil and gas. Gulf projects that, as a result of unitized management, operation and further development of the "Unitized Interval" within the "Unit Area", the ultimate production will increase by approximately 64.2 million barrels of oil over a 30 year flood life.

To establish an effective and manageable waterflood project, the contraction of the vertical limits of the Eumont Gas Pool and the upward extension of the vertical limits of the Eunice-Monument Oil Pool under the proposed Unit Area is needed. This will allow for a more controllable waterflood of the entire oil column within the



Unitized Interval, thereby preventing waste and protecting correlative rights.

Submitted and attached to the enclosed applications are copies of the Unit Agreement and Unit Operating Agreement, various plats of the Unit Area, a table detailing ownership of oil and gas interests, percentages and participations in the Unit, a well log showing the vertical limits of the Unitized Interval, the OCD Form C-108, wellbore configurations of proposed injection wells, geologic data, fresh water source data, and schematic diagrams and other pertinent well data on all wells within the Unit boundary and one-half mile outside the Unit boundary.

The working interest owners, operators, and surface land owners within the Unit Area, as well as offset operators, the Commissioner of Public Lands of the State of New Mexico, and the District Director of the Bureau of Land Management are being notified of this request by a copy of this letter, a Unit Area plat, and each of the applications without their attachments.

Your consideration and granting of the attached applications for a Commissioners' Hearing in November, 1984, regarding the proposed Eunice Monument South Unit, will be greatly appreciated. If you should need additional information or have any questions concerning this, please contact Mr. D. T. Berlin at (915) 687-7339 or Mr. A. W. Bohling at (915) 687-7336.

Yours very truly,

A handwritten signature in black ink, appearing to read "L. A. Turner", with a stylized, flowing script.

L. A. TURNER

AWB:ac

Enclosures

cc: Enclosed List
W. Thomas Kellahin
P. O. Box 2265
Santa Fe, New Mexico 87501

STATE AND FEDERAL AGENCIES

United States Department of the Interior
Bureau of Land Management
Roswell District Office
P. O. Box 1397
Roswell, New Mexico 88201

Attention: Mr. Roy Stovall

State of New Mexico
Commissioner of Public Lands
P. O. Box 1148
Santa Fe, New Mexico 87504

Attention: Mr. Jim Baca

State of New Mexico
Department of Energy and Minerals
Oil Conservation Division
District 1
P. O. Box 1980
Hobbs, New Mexico 88240

Attention: Mr. Jerry Sexton

WORKING INTEREST OWNERS

Amerada Hess
P. O. Box 2040
Tulsa, Oklahoma 74102
Attn: Mr. J. C. Hefley, Mgr.
Joint Venture-U.S., Onshore

Amoco Production Company (USA)
P. O. Box 3092
Houston, Texas 77253
Attn: Mr. Bruce A. Landis, Jr.

Apollo Oil Company
P. O. Box 1737
Hobbs, New Mexico 88240
Attn: Mr. Alan Ralston

ARCO Oil and Gas Company
P. O. Box 1610
Midland, Texas 79702
Attn: Mr. C. R. Leggott

Mr. Kenneth R. Boss
East Star Route
Box 9-B
Lovington, New Mexico 88260

Brady Production Company
P. O. Box 9128
Midland, Texas 79708

Mrs. Ethel T. Dennis
c/o Crane Oil Company
P. O. Box 1764
Midland, Texas 79702

Earl R. Bruno
P. O. Box 5456
Midland, Texas 79704

Mr. John Catron
Catron Working Interest Accts.
Catron, Catron and Sawtell
P. O. Box 788
Santa Fe, New Mexico 87501

Chevron U.S.A., Inc.
P. O. Box 1660
Midland, Texas 79702
Attn: Mr. W. A. Goudeau

Cities Service Company
P. O. Box 1919
Midland, Texas 79702
Attn: Mr. K. D. Van Horn

Conoco, Inc.
P. O. Box 460
Hobbs, New Mexico 88240
Attn: Mr. Mark K. Mosely

Estate of Herman R. Crile, Sr.
c/o Mr. Bernard Johnston
P. O. Box 880
Roswell, New Mexico 88201

Mr. Thomas W. Ellison
2502 Cimmaron
Midland, Texas 79705

Exxon Company, U.S.A.
P. O. Box 1700
Midland, Texas 79702
Attn: Mr. R. R. Hickman

Bert Fields, Jr.
11835 Preston Road
Dallas, Texas 75230
Attn: Mr. Jerry H. Doughman

First National Bank
105 North Main
Wichita, Kansas 67202
Attn: Mr. Steven Woods, Trust Dept.
U/W of Wm. E. Perdew

Getty Oil Company
P. O. Box 1231
Midland, Texas 79702
Attn: Mr. Raymond H. Blohm

Mr. Doyle Hartman
P. O. Box 10426
Midland, Texas 79702

Mr. Kenneth Headley
P. O. Box 569
Tijeras, New Mexico 87509

John H. Hendrix Corporation
525 Midland Tower
Midland, Texas 79701
Attn: Mr. John H. Hendrix

E. R. Hudson, Agent for the
Charles H. Moore, et al, Interest
1440 Interfirst Tower
801 Cherry Street
Fort Worth, Texas 76102

William A. and Edward R. Hudson
1440 Interfirst Tower
801 Cherry Street
Fort Worth, Texas 76102
Attn: Mr. Edward R. Hudson

Mr. Michael Klein
One First City Center
Suite 505
Midland, Texas 79701

Ms. Suzanne H. Klein
1980 South Post Oak
Suite 1075
Houston, Texas 77056

Koch Exploration Company
P. O. Box 2256
Wichita, Kansas 67201
Attn: Mr. Jim Whisnand

George H. Landreth
206 Bluff Crest
San Antonio, Texas 78216

W. A. Landreth
908 The Texas Building
Fort Worth, Texas 76102

ME-TEX Companies
P. O. Box 2070
Hobbs, New Mexico 88240
Attn: Mr. Burton Veteto

Mr. Carl R. Pfluger
Box S
Eden, Texas 76837

RepublicBank Dallas
Oil & Gas Trust Dept.
Jeanne Fields Shelby, et al, Agency
No. 9591-00
P. O. Box 241
Dallas, Texas 75221
Attn: Mr. Jim B. Brown
Vice President

S & S Engineering
P. O. Box 8923
Midland, Texas 79708

Shell Oil Company
P. O. Box 991
Houston, Texas 77001
Attn: Mr. B. G. Ratterree

Sun Exploration and Production Co.
Campbell Center II
P. O. Box 2880
Dallas, Texas 75221
Attn: Mr. J. W. Thornton

Fred Turner, Jr., Trust
P. O. Box 910
Midland, Texas 79702
Attn: Mr. Ray Floyd

Two States Oil Company
Suite 1401
Mercantile Commerce Bldg.
Dallas, Texas 75201
Attn: Mr. Walter Crane

Mr. Bruce Wilbanks
P. O. Box 763
Midland, Texas 79702

The Wiser Oil Company
P. O. Box 192
Sistersville, W. VA. 26175
Attn: Mr. Charles P. LaRue

OFFSET OPERATORS

Adobe Oil & Gas Corp.
1100 Western United Life Bldg.
Midland, Texas 79701

Anadarko Production Co.
P. O. Box 2497
Midland, Texas 79702

Lewis B. Burleson, Inc.
P. O. Box 2479
Midland, Texas 79702

Campbell & Hedrick
P. O. Box 401
Midland, Texas 79701

El Paso Natural Gas Co.
P. O. Box 1492
El Paso, Texas 79978

Elliott Oil Co.
P. O. Box 2159
Abilene, Texas 79604

J. L. Evans
P. O. Box 1125
Eunice, New Mexico 88231

Hanson Operating Co.
P. O. Box 1515
Roswell, New Mexico 88202

Ernie L. Hegwer Co.
P. O. Box 24
Hobbs, New Mexico 88240

John H. Hendrix Corp.
525 Midland Tower
Midland, Texas 79701

Kern Co.
3005 N. Big Spring
Midland, Texas 79705

MKA Oil Properties
One First City Center
Suite 505
Midland, Texas 79701

Marathon Oil Co.
P. O. Box 552
Midland, Texas 79702

Petro Lewis Corp.
P. O. Box 2250
Denver, Colorado 80201

Phillips Petroleum Co.
4001 Penbrook
Odessa, Texas 79762

Superior Oil Co.
204 W. Illinois
Midland, Texas 79702

Tenneco Oil Co.
P. O. Box 2511
Houston, Texas 77001

Trio Oil Co.
c/o Oil Reports
P. O. Box 763
Hobbs, New Mexico 88240

Warrior, Inc.
125 Midland Tower
Midland, Texas 79701

Zia Energy, Inc.
P. O. Box 603
Hobbs, New Mexico 88240

SURFACE LAND OWNERS

Climax Chemical Co.
Box 1595
Hobbs, New Mexico 88240

Phillips Petroleum Co.
4001 Pennbrook St.
Room 206
Odessa, Texas 79762

O. L. Coleman Estate
c/o Emma Liston Archer Trust
211 W. 6th St.
Hale Center, Texas 79041

Mary Vern Ramson
28890 Lilac Rd.; Space 148
Valley Center, California 92082

Delbert D. Cooper
Box 421
Eunice, New Mexico 88231

Tommie Lou Cooper & Sons
834 Gold
Hobbs, New Mexico 88240

Millard Deck Estate
c/o Kirkwood & Darby
Continental Nat'l Bank Bldg.
Fort Worth, Texas 76102

El Paso Natural Gas Co
P.O. Box 1492
El Paso, Texas 79978

A. C. Hooper Estate
c/o Mrs. Aubrey F. Houston/Adm.
712 W. Houston St.
Sulphur Springs, Texas 75482

H.L. Houston
712 W. Houston
Sulphur Springs, Texas 75482

Tom Kennan
Box 202
Eunice, New Mexico 88231

Dallas McCasland, Inc.
c/o W. J. McCasland
P.O. Box 156
Eunice, New Mexico 88231

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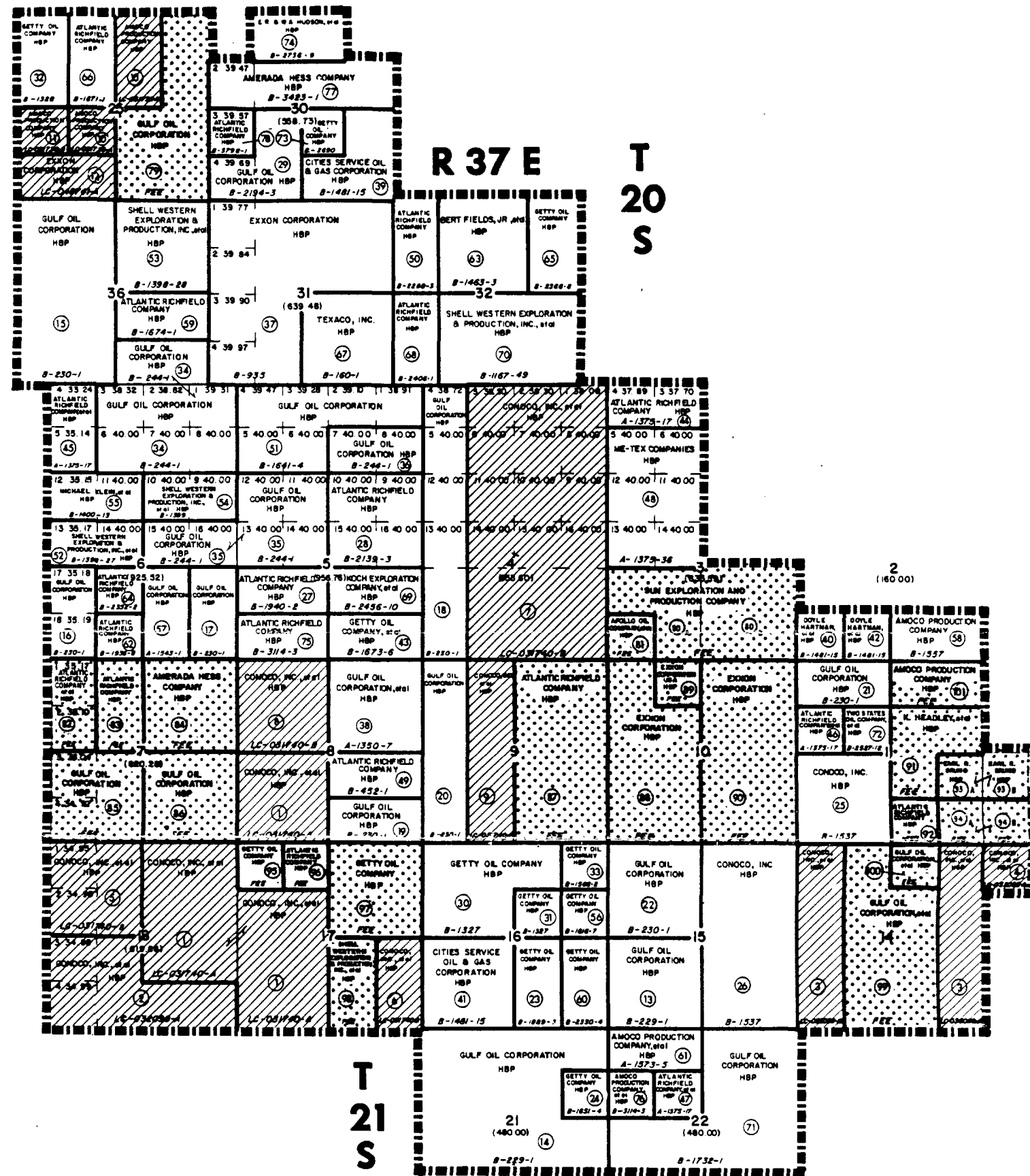
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


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
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EXHIBIT "1"
EUNICE MONUMENT SOUTH
UNIT AREA
LEA COUNTY, NEW MEXICO



	ACREAGE	PERCENTAGE
 FEDERAL LANDS	2,734.76	19.27 %
 STATE LANDS	8,274.80	58.32 %
 PATENTED LANDS	3,180.28	22.41 %
TOTAL	14,189.84	100.00 %

 UNIT OUTLINE
  TRACT NUMBER

1 1/2 0 1
 SCALE IN MILES

NOTE: UNLESS OTHERWISE INDICATED, THE VARIOUS SECTIONS ON THIS PLAT CONTAIN 640.00 ACRES

GULF OIL CORPORATION
MIDLAND, TEXAS

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY AND MINERALS
OIL CONSERVATION DIVISION

RECEIVED

OCT 8 - 1984

APPLICATION OF GULF OIL CORPORATION
FOR STATUTORY UNITIZATION, EUNICE
MONUMENT SOUTH UNIT, LEA COUNTY,
NEW MEXICO.

OIL CONSERVATION DIVISION

Case No. 8392

A P P L I C A T I O N

Gulf Oil Corporation hereby applies to the New Mexico Oil Conservation Commission for an order pursuant to the New Mexico Statutory Unitization Act (70-7-1 through 70-7-21 NMSA 1978) providing for the unitized management, operation and further development of the area and formation known as the Eunice Monument South Unit, Lea County, New Mexico, and in support of its application states:

1. Gulf Oil Corporation (Gulf) is a Pennsylvania corporation authorized to transact business in the State of New Mexico, and is engaged in the business of, among other things, producing and selling oil and gas as defined by the New Mexico Statutory Unitization Act (70-7-1 through 70-7-21 NMSA 1978, hereinafter referred to as the "Act".)

2. The proposed area for which application is made for unitized operations pursuant to the Act is known as the Eunice Monument South Unit, Lea County, New Mexico (the "Unit Area"), and consists of 14,189.84 acres, more or less, in Lea County, New Mexico, being more particularly described in Exhibit "B" attached hereto and incorporated herein by reference. A map of the Unit Area is attached hereto and incorporated herein by reference as Exhibit "A".

3. "Unitized Formation" shall mean that interval underlying the Unit Area, the vertical limits of which extend from an upper limit described as 100 feet below mean sea level or at the top of the Grayburg formation, whichever is higher, to a lower limit at the base of the San Andres formation; the geologic markers having been previously found to occur at 3,666 feet and 5,283 feet, respectively, in Continental Oil Company's Meyer B-4 Well No. 23 (located at 660 feet FSL and 1,980 feet FEL of Section 4, T-21-S, R-36-E, Lea County, New Mexico) and as recorded on the Welex Acoustic Velocity Log taken on October 30, 1962, said log being measured from a kelly drive bushing elevation of 3,595 feet above sea level. A copy of the Welex Acoustic Velocity Log for said well on said date is attached hereto and incorporated herein by reference as Exhibit "C".

4. The portion of the Unitized Formation included within the Unit Area has been reasonably defined by development.

5. Gulf proposes to institute a project for the secondary recovery of oil and gas from the Unitized Formation within the Unit Area.

6. The proposed plan of unitization is embodied in the Unit Agreement, a true and correct copy of which is attached hereto and incorporated herein by reference as Exhibit "D", and said plan is fair, reasonable and equitable.

7. The proposed operating plan covering the manner in which the unit will be supervised and managed and costs allocated and paid is embodied in the Unit Operating Agreement, a true and correct copy of which is attached hereto and incorporated herein by reference as Exhibit "E".

8. Gulf projects that the unitized management, operation and further development of the Unitized Formation will increase production by approximately 64.2 million barrels of oil from 133.2 million to approximately

197.4 million barrels, will improve the producing rate, and will extend the producing life of the formation beyond the year 2010. It is therefore evident that the unitized management, operation and further development of the Unitized Formation is reasonably necessary in order to effectively carry on pressure maintenance and secondary recovery operations to substantially increase the ultimate recovery of oil and gas from the Unitized Formation within the Unit Area.

9. The method of operation which is proposed in the Unit Operating Agreement is feasible, will prevent waste and will result with reasonable probability in the increased recovery of substantially more oil and gas from the Unitized Formation than would otherwise be recovered.

10. The estimated additional costs of conducting unitized operations will not exceed the estimated value of the additional oil and gas to be recovered plus a reasonable profit.

11. The proposed unitization and adoption of the methods of operation embodied in the Unit Operating Agreement will benefit the working interest owners and royalty owners of the oil and gas rights within the Unitized Formation of the Unit Area.

12. Gulf has made a good faith effort to secure voluntary unitization within the Unitized Formation of the Unit Area.

13. The participation formula contained in the Unit Agreement allocates the produced and saved unitized hydrocarbons to the separately owned tracts in the Unit Area on a fair, reasonable and equitable basis, and protects the correlative rights of all owners of interest within the Unit Area.

14. The statutory unitization of the Unitized Formation within the Unit Area in accordance with the plan embodied in the Unit Agreement and Unit Operating Agreement will prevent waste and protect correlative rights.

WHEREFORE, Gulf respectfully requests that this application be set for hearing before the Oil Conservation Commission at the earliest practicable date and that the Commission enter its order approving the Unit Agreement and Unit Operating Agreement and providing for the unitized management, operation and further development of the Unitized Formation and the Unit Area in accordance with the Act.

KELLAHIN & KELLAHIN

By 

W. Thomas Kellahin

P. O. Box 2265

Santa Fe, New Mexico 87501

Attorneys for Gulf Oil Company