

Case No.

1097

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Application, Transcript,  
Small Exhibits, Etc.

CASE 1097: Humble Oil, Application for  
320 acre non-standard gas proration unit  
in Eumont Pool, Eumont Gas Unit No. 2 Well  
No. 1

BEFORE THE  
**Oil Conservation Commission**

SANTA FE, NEW MEXICO

July 11, 1956

IN THE MATTER OF:

CASE NO. 1097

TRANSCRIPT OF PROCEEDINGS

DEARNLEY-MEIER AND ASSOCIATES

COURT REPORTERS

605 SIMMS BUILDING

TELEPHONE 3-6691

ALBUQUERQUE, NEW MEXICO

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
HOBBS, NEW MEXICO  
JULY 11, 1956

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IN THE MATTER OF: :

CASE NO. 1097: Application of Humble Oil & Refining Com- :  
pany for an order granting a 320 acre non- :  
standard gas proration unit in the Eumont :  
Gas Pool in exception to Rule 5 (a) of the :  
Special Rules and Regulations of the Eu- :  
mont Gas Pool as set forth in Order R-520, :  
and further requests an order for forced :  
pooling of all interests refusing to join :  
therein in said 320 acres. Applicant, in :  
the above-styled cause, seeks an order :  
granting the establishment of a 320 acre :  
non-standard gas proration unit comprising :  
the S/2 of Section 29, Township 21 South, :  
Range 36 East, Eumont Gas Pool, Lea County, :  
New Mexico, and the forced pooling of any :  
interests within said S/2 of Section 29 :  
which have heretofore refused to join said :  
unit; said unit to be dedicated to appli- :  
cant's Eumont Gas Unit No. 2 Well No. 1 :  
which was formerly known as their State :  
"B" Well No. 7 located 1980 feet from the :  
South line and 660 feet from the East line :  
of said Section 29. :

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BEFORE:

Warren W. Mankin, Examiner.

T R A N S C R I P T     O F     P R O C E E D I N G S

MR. MANKIN: The next case is 1097.

MR. GURLEY: Application of Humble Oil & Refining Company  
for an order granting a 320 acre non-standard gas proration unit in  
the Eumont Gas Pool in exception to Rule 5 (a) of the Special Rules  
and Regulations of the Eumont Gas Pool as set forth in Order R-520,  
and further requests an order for forced pooling of all interests  
refusing to join therein in said 320 acres.

MR. HINKLE: If the Examiner please, Clarence Hinkle, ap-

pearing on behalf of Humble Oil & Refining Company. We have three exhibits in this case which I would like to have identified to start out with.

(Whereupon, Exhibits 1, 2 and 3 were marked for identification.)

MR. HINKLE: We have two witnesses we would like to have sworn.

(Witnesses sworn.)

R. S. DEWEY,

called as a witness on behalf of the applicant, having been first duly sworn on oath, testified as follows:

DIRECT EXAMINATION

BY MR. HINKLE:

Q State your name, please. A R. S. Dewey.

Q By whom are you employed, Mr. Dewey?

A Humble Oil & Refining Company.

Q What capacity?

A Division petroleum engineer.

Q Have you previously testified before the Commission?

A I have.

Q As an expert? A Yes.

MR. HINKLE: Are his qualifications accepted?

MR. MANKIN: They are.

Q State to the Examiner, Mr. Dewey, the purpose of this application in Case No. 1097.

A The purpose of the application in Case 1097 is to increase from 160 acres to 320 acres a leasehold interest of the Humble Oil

& Refining Company to be dedicated to a well now entitled Eumont Gas Well No. 2, which was formerly Humble Oil & Refining Company State "B" No. 7 Well located in the SE/4 of Section 29, Township 21 South, Range 36 East.

Q Has notice been given to all of the offset owners of this application?

A Accompanying the application to the Commission, we sent a copy of the application, which was furnished to Shell Oil Company, Standard of Texas, Gulf Oil Corporation, Stanolind Oil and Gas, Skelly Oil Company, Texas Company, Continental Oil Company, Peerless Oil and Gas, The Atlantic Refining Company, Cities Service, and C. C. Pollard.

Q Mr. Dewey, I hand you Humble's Exhibit No. 1 and ask you to state to the Commission what that is.

A Humble's Exhibit No. 1 was prepared by me to show the location of a 160 acre tract which has been dedicated to Humble's State "B" No. 7 Well in Section 29, Township 21 South, Range 36 East, said 160 acre tract is marked in red on the exhibit, and the exhibit further shows a 160 acre tract in the SW/4 of Section 29, Township 21 South, Range 36 East, which 160 acre tract we propose to, with the Commission's approval, combine with the first mentioned 160 acre tract to form a 320 acre unit in the S/2 of Section 29, Township 21 South, Range 36 East. This latter tract is colored in yellow on the exhibit. On the exhibit indicated the locations of the Eumont Wells which I was able to find on the most recent gas proration schedule for the Eumont Gas Pool, together with the amount of acreage that is dedicated to each well.

A list of those wells is as follows:

Continental Oil Company, Lockhart B-28, Federal 3L, Located in 28-21-36, with 240 acres dedicated to it.

Atlantic Refining Company, State J, 1H, Located in 29-21-36, with 160 acres dedicated to it.

Continental Oil Company, State C-20, 5M, Located in 20-21-36, with 160 acres dedicated to it.

Continental Oil Company, Lockhart A-30, Federal 1H, Located in 30-21-36, with 160 acres dedicated to it.

Continental Oil Company, Lockhart A-30, Federal 6F, Located in 30-21-36, with 160 acres dedicated to it.

Continental Oil Company, Lockhart A-30, Federal 5K, Located in 30-21-36, with 80 acres dedicated to it.

Texas Company, Rector, 2P, Located in 30-21-36, with 40 acres dedicated to it.

Texas Company, Rector, 3J, Located in 30-21-36, with 80 acres dedicated to it.

Texas Company, Rector, 40, Located in 30-21-36, with 120 acres dedicated to it.

Drilling & Exploration, State F, 3-K, Located in 19-21-36, with 185 acres dedicated to it.

Gulf Oil Corporation, Janda B State, 1J, Located in 32-21-36, with 160 acres dedicated to it.

Humble Oil & Refining Company, State B, 1E, Located in 29-21-36, with 80 acres dedicated to it.

Cities Service Oil Company, State, 3A, Located in 32-21-36, with 320 acres dedicated to it.

Gulf Oil Corporation, Arnott Ramsey D, 3F, Located in 33-21-36, with 480 acres dedicated to it.

Sinclair Oil Company, State, 176, 3J, Located in 19-21-36, with 160 acres dedicated to it.

Q Are all of those wells producing from the vertical limits of the Eumont Gas Pool?

A To the best of my knowledge they are. They all appear in the proration schedule for the Eumont Gas Pool, and I assume that that is correct.

Q Does the proposed unit lie wholly within a single governmental section?

A It does. It lies within the S/2 of Section 29, 21 South, Range 36 East.

Q Does the length or width exceed 5,280 feet?

A It does not exceed 5,280 feet.

Q Mr. Dewey, you have testified with respect to the location of Humble's Well "B" 7, located in the SE/4, Section 29, and I would like for you to give the Commission data with respect to the drilling and completion of that well.

Humble Oil & Refining Company drilled New Mexico State "B" 7, 1980 feet north of the south line and 660 feet west of the East line of the NE/4 of SE/4 of Section 29, T-21-S, R-36-E, Lea County, New Mexico. This well was completed February 1, 1956, at a depth of 3900 feet in the Eunice Field. Subsequently the well was plugged back to 3866 feet to shut-off water. In December of 1947 the hole was drilled to 4015 feet, a retainer set at 3791 feet and the formation below the retainer was squeezed with 100 sacks of cement. The



5-1/2-inch casing from 3730 to 3775 feet was perforated and the perforations were acidized with 1000 gallons. The well flowed with an estimated one million cubic feet of gas per day with spray of water and no oil.

On May 1, 1953, the following work was completed to make this well a dual gas-gas completion.

Repaired 5-1/2-inch casing. 3-27-53 set Baker model K bridging plug on Perforating Guns Atlas wireline at 3700 feet. Tested 5-1/2-inch casing from 3700 to 0 with 1000 pounds for 30 minutes. Test OK. No drop in pressure. Shot 5-1/2-inch casing with 2 Perforating Guns jet shots at 2850 feet. Pressured casing to 1000 pounds to break circulation behind 5-1/2-inch casing at very slow rate.

4-2-53 set Baker Model DAB packer at 3692 feet on Perforating Guns Line with PSI standing valve in packer. Tested packer and standing valve with 1600 pounds. Tested OK.

4-5-53 perforated 5-1/2-inch casing 3200 - 3310, 3340 - 3425 and 3460 - 3555 feet with 2 Perforating Guns Atlas Jet shots per foot, total 580 shots.

4-9-53 treated 3200 to 3310 and 3340 to 3425 and 3460 to 3555 with 500 gallons Cardinal Mud Acid. Maximum and minimum tubing pressures 1600 and 1200 pounds.

4-12-53 Hydrafraced from 3460 - 3555 feet with 2-batch treatment, 1500 gallons. Maximum and minimum gel pressure 3150 and 2700 pounds. Hydrafraced 3340 - 3425 with 1-batch treatment, 1500 gallons. Maximum and minimum gel pressure 3400 and 2800 pounds.

4-17-53 treated Yates from 3200 - 3310, 3340 - 3425 and 3460 - 3550 with 3000 gallons Cardinal 15 % LT acid. Maximum and minimum tubing pressure 1000 pounds.

Camco mandrel set at 3569 feet.

4-25-53 tested Yates section 24 hours through casing at rate of 3320 Mcf per day. (Perf. 3200 - 3310, 3340 - 3425 and 3460 - 3550 feet).

4-29-53 acidized with 3000 gallons Cardinal LT acid from 3730 to 3791 feet. Maximum and minimum pressure 1800 and 1500 pounds.

5-1-53 tested lower Grayburg section 13 hours on 3/4-inch tubing choke, volume 655 Mcf per day. Tubing pressure 125 pounds. (O.H. 3730 - 3775)

Dual gas-gas well.

As a result of the above recompletion, the upper perforations produced gas from the Yates formation through the tubing casing annulus and the lower perforations produced gas from the Grayburg formation. As a result of better geological correlation the formation open to the lower perforations was identified as Queen rather than Grayburg.

With the creation of the Eumont Gas Pool the Conservation Commission placed Humble State B-7 in the Eumont Gas Pool as a dual gas-gas well. While the dual equipment is still in the well, effective May 1, 1956, the status of the well has been changed to that of a single completion in the Eumont Gas Pool with 160 acres attributed to it. Gas produced from the well comes from between the vertical limits of the Eumont Gas Pool as defined by the Conservation Commission orders.

Q Mr. Dewey, referring to Humble's Exhibit No. 2, state to the Commission what that is, and what it shows.

A Humble's Exhibit No. 2 is a radio active log on this well on which, at my direction, our geological department has indicated the

interpretations of the tops of the Yates formation and top of the Seven Rivers formation, and the top of the Queen formation. This log, on this log has also been placed a location of the perforation intervals as described above. This log is identified as Humble's State "B" 7 well.

Q That log shows that this well is producing from the vertical limits of the Eumont Gas Pool?

A That is correct.

Q Now, in your opinion, is the entire S/2 of Section 29, 21, 36, reasonably to be presumed to be productive of gas?

A Due to the gas wells which have been enumerated surrounding the Section 29, Township 21 South, Range 30 East, and more particularly the S/2 of that section, it is my opinion that the whole S/2 of the lease is reasonably productive of gas.

Q In your opinion, will well "B" 7 effectively and efficiently drain gas from the entire S/2 of Section 29?

A Considering drainage across leases, I consider it will.

Q It would tend to protect correlative rights, taking into consideration the other gas units which have been formed all around this unit?

A That is correct. I might call attention here particularly to the size of some of the other gas units. Gulf has one gas unit of 480 acres attributed to the Arnot Ramsay D, 3 F, and Continental has one with 240 acres attributed to it; Cities Service has one with 320 acres attributed to it, and this Cities Service unit is similarly situated to the proposed 320 acre unit of Humble in that the location of the well with respect to the unit size is practically identical in size as that contained on Humble's lease.

MR. HINKLE: We would like to offer in evidence Exhibits 1 and 2.

MR. MANKIN: Is there any objection to Exhibits 1 and 2 in this case? If not, they will be introduced.

(Whereupon, Exhibits 1 and 2 were admitted in evidence.)

QUESTIONS BY MR. MANKIN:

Q Mr. Dewey, in your Exhibit 1, it was indicated in there in Sections 30 and 31, that the Texas Company on their Rector No. 40 had 120 acres assigned to that well. I believe if you will search order R-734, you will find that that 120 acres is not as you have indicated, but is the N/2 of the NE/4 of Section 31, rather than the 80 acres you show just west of the well, and the south east, I mean the SW/4 of the SW/4 of Section 30, being a 120 acre unit, so the unit which you have shown is in two sections, should be in two sections, rather than the one section as you have shown.

A Well, I stand corrected.

Q That is Continental acreage.

A The record should show I am corrected in that. I assumed that their having 80 acres to the west of that particular well, that the 80 acres to the west was attributed to Well No. 40 rather than the well to the south.

Q That to the south is Continental.

A On our map, it is an error. Continental has 80 to the north there. I see. Well, I would like to have that correction made.

MR. MANKIN: That is strictly a minor error, still it is the same sized unit. I just wanted to correct the record on that. As

you started your testimony, you indicated this well was designated presently as the Humble Well State "B" No. 7, and would be designated as Humble's Humont Gas Unit Well No. 2. I believe you meant to say Humont Gas Unit No. 2 Well No. 1.

A Well No. 1.

Q Would you like to correct that? A Yes.

Q Then, referring again, to your testimony, you indicated this well, even though it had been given dual completion permission, was now, would now be produced as a single completion with the Yates and Queen loam together, and with one allowable only, is that correct?

A That is correct.

MR. MANKIN: Any questions of the witness in this case? If not, the witness may be excused. Next witness, please.

(Witness excused.)

R. M. RICHARDSON.

called as a witness on behalf of the applicant, having been first duly sworn on oath, testified as follows:

DIRECT EXAMINATION

BY MR. HINKLE:

Q State your name, please. A R. M. Richardson.

Q Where do you live, Mr. Richardson? A Roswell, New Mexico.

Q By whom are you employed?

A Humble Oil & Refining Company.

Q In what capacity?

A Land man in charge of pooling, joint operations and unitizations.

Q Are you familiar with the effort which has been made by the

Humble Oil & Refining Company to unitize the S/2 of Section 29?

A Yes, sir, I am.

Q That is the S/2 of Section 29, Township 21 South, Range 36 East, Eumont Gas Pool?

A Yes.

Q I hand you Humble's Exhibit No. 3 and ask you to state to the Commission what that is.

A Exhibit No. 3 is a set of three counter parts to one communitization agreement which has been executed by Humble and all royalty owners with the exception of one owning an interest under the S/2 of Section 29, 21 South, 36 East.

Q Did you handle the matter of getting this unit signed up?

A Yes, I did.

Q Have all of the lease and royalty owners executed it?

A All of the lease and royalty owners have executed it with the exception of one person.

Q Who is that?

A It is Robert L. Craig, Sr., from Indianapolis, Indiana.

Q What interest does he have?

A He has a one-third of one twenty-fourth under the NW/4, SE/4, . Section 29.

Q What is the nature of that interest?

A It is an overriding royalty.

Q Are you familiar with the ownership of all of this land in the S/2 of 29?

A Yes, I am.

Q How is it held, that is, lease ownership?

A The entire lease ownership is held by Humble, seven-eighths working interest held by Humble.

Q That is all the gas rights from the Tumont Gas Pool?

A That is right.

Q And the Humble has executed the communitization agreement with all the royalty owners except in the case of Mr. Craig?

A That's right.

Q What effort did you make, if any, to obtain the signature of Mr. Craig?

A We wrote Mr. Craig originally by registered mail on November the 8th, 1955, and by return mail, it developed that there was an estate problem, that one of the owners had died and the estate had not been closed, and later, we, through various title efforts, did straighten up the ownership through the wills and got the estate settled and it was developed that the ownership was in Robert L. Craig, Sr., Robert L. Craig, Jr., and David Frederick Craig. Then later, we sent another set of instruments for signature to the Craig estate attorneys and, on April 9, 1956, the attorneys wrote back that Mr. Robert L. Craig, Sr., had refused to sign, and on April 11, 1956, we called Mr. Craig by telephone.

Q Did you call him personally?

A I personally called Mr. Craig by telephone and discussed the matter with him, and explained what we were trying to do and why we were trying to do it, pointed out the benefits of the unit and the fact that it was a State Conservation Commission proration unit, and he requested a letter setting up further details or further information concerning the unit, which we got off that day, and on April 11, we wrote him explaining in further detail the unit, and then we didn't hear from him any more, so about April 25th, we called him

again by telephone --

Q You called?

A I personally called him by telephone, and he said he was sorry, that there was nothing wrong with the unit or nothing wrong with the instrument, and that he was in favor of it, but he couldn't sign it because he was dissatisfied with the way his mother's will had been drawn, and for a purely family reason, he refused to sign it, and from then on, about three weeks later, I think we made application for approval of the unit.

MR. HINKLE: I would like to offer in evidence Humble's Exhibit No. 3. Now, this is the communitization agreement, signed copies, and the only ones we have, and its counterparts. We would like to offer it with the understanding that it can be withdrawn and photostatic copy substituted, because this has to go to the Commissioner of Public Lands for approval.

MR. GURLEY: We would like to get that photostat as soon as possible.

MR. MANKIN: Is there any objection to entering Exhibit 3 in this case with the provision that it can be withdrawn and substitute photostatic copies of it? If not, it will be so entered.

(Whereupon, Applicant's Exhibit No. 3 was admitted in evidence.)

MR. HINKLE: That is all.

BY MR. MANKIN:

Q Mr. Richardson, you indicated that Mr. Robert L. Craig, Jr., had refused to sign it?

A Senior.

Q Sr. In the application, it was indicated that Mr. Robert L.



Craig, Jr., Mr. David Frederick Craig, and R. E. Craig, were owners of 1/24th overriding royalty interest. Has that condition changed?

A No, they all own a 1/3 of a 1/24th, or a net, 177.

Q Was that Robert Craig, Sr., instead of Jr.?

MR. HINKLE: The application you refer to in Section 6, shows there that R. E. Craig is the owner of 1/3 of a 1/24th.

A That should be R. L. Craig. This is R. L., that is an error.

Q You are relating to Section 6? A Yes, sir.

Q That is R. L. Craig, Sr.? A Yes, sir.

MR. HINKLE: We would like to have an amendment to the application so as to read R. L.

A That R. E. in Paragraph 5 should also be changed to R. L. Craig.

Q And that is R. L. Craig, Sr.? A Yes, sir.

Q Then, R. L. Craig, Sr., is the only person concerned that has not signed it? A That is right.

Q And David Frederick Craig, and Robert Lee Craig, Jr., have signed? A Yes, sir.

Q And Pollard and Peerless Oil Company have signed?

A Both Pollard and Peerless have signed.

Q Do you have the address of Robert L. Craig, Sr., which we may utilize?

A It is Robert L. Craig, Sr., c/o Craig Brokerage Company, Marott Hotel Building, Indianapolis, Indiana.

MR. GURLEY: Just for a matter of record, Mr. Richardson, do you have other than gas rights in this particular acreage, or, you made the statement, as I remember it, that you had the gas rights in

the Fumont Pool in this acreage. Is that all you have?

A We have the full rights in the entire S/2 except the NW/SW, and C. C. Pollard owns the deep rights and the oil rights under the NW/SW. Other than that, that is the full 7/8ths working interests.

BY MR. MANKIN:

Q Mr. Richardson, this is a State lease, is it not?

A Yes.

Q Is it one school fund or one interest, as far as the State is concerned, the entire S/2 of 29?

A No, there is four different State leases on that tract.

MR. HINKLE: But you don't know which ones, what institutions or whether it is common schools?

Q They are different leases, but as to whether it is all the same institution, you are not aware of that?

A No.

Q I take it from Mr. Hinkle's remark that he planned to withdraw Exhibit 3 and submit a photostat, that you intend to submit this to the Commissioner of Public Lands for his approval, based upon approval in this case?

A That is right.

MR. GURLEY: Will you notify us as soon as you receive that approval, Mr. Richardson?

A Yes.

Q (By Mr. Mankin.) So, you are asking for forced pooling of all interests that have not joined up this time, which the only one at this time that has not joined is Robert L. Craig, Sr.?

MR. HINKLE: Who has only 1/3 of 1/24th.

A That's right.

Q Have you had any indication from the State Land Office that

they would tentatively approve this unit?

A I don't believe it has ever been submitted to them at all.

Q But they have approved similar units in the past where the Commission has seen fit to approve the unit?

A That's right.

MR. MANKIN: Any further questions of this witness in this case? If not, the witness may be excused.

(Witness excused.)

MR. MANKIN: Is there any statements to be made in this case? If not, we will take the case under advisement. We will take a five-minute break.

(Short recess.)

C E R T I F I C A T E

STATE OF NEW MEXICO )  
: ss  
COUNTY OF BERNALILLO )

I, THURMAN J. MOODY, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Proceedings before the New Mexico Oil Conservation Commission was reported by me in Stenotype, and reduced to typewritten transcript by me and/or under my personal supervision, and that the same is a true and correct record to the best of my knowledge, skill and ability.

WITNESS my Hand and Seal, this, the 24th day of July, 1956, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

  
Notary Public.

My Commission Expires:

April 3, 1960.

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. 1097  
Order No. R-854

THE APPLICATION OF HUMBLE OIL  
AND REFINING COMPANY FOR AN  
ORDER GRANTING APPROVAL OF AN  
EXCEPTION PURSUANT TO RULE 5 (a)  
OF THE SPECIAL RULES AND REGULA-  
TIONS FOR THE EUMONT GAS POOL  
AS SET FORTH IN ORDER R-520 IN  
ESTABLISHMENT OF A NON-STANDARD  
GAS PRORATION UNIT OF 320 CONTIGUOUS  
ACRES CONSISTING OF S/2 SECTION 29,  
TOWNSHIP 21 SOUTH, RANGE 36 EAST,  
NMPM, LEA COUNTY, NEW MEXICO, AND  
FOR THE POOLING OF INTERESTS THEREIN  
AS TO THE GAS RIGHTS WITHIN THE VER-  
TICAL LIMITS OF THE EUMONT GAS POOL.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. , on July 11, 1956, at Hobbs, New Mexico, before Warren W. Mankin, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission", in accordance with Rule 1214 of the Commission's Statewide Rules and Regulations.

NOW, on this 10<sup>th</sup> day of August, 1956, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Warren W. Mankin, and being fully advised in the premises,

FINDS:

- (1) That due notice of the time and place of hearing and the purpose thereof having been given as required by law, the Commission has jurisdiction of this case and the subject matter thereof.
- (2) That pursuant to the provisions of Rule 5 (a) of the Special Rules and Regulations of the Eumont Gas Pool as set forth in Order No. R-520, the Commission has power and authority to permit the formation of a gas proration unit consisting of other than a legal section after notice and hearing by the Commission.
- (3) That applicant, Humble Oil and Refining Company is the owner of state oil and gas leases in Lea County, New Mexico, a portion of which consists of other than a legal section and described as follows, to wit:

Township 21 South, Range 36 East, NMPM  
S/2 of Section 29

containing 320 acres, more or less.

(4) That applicant, Humble Oil and Refining Company, has a producing well on the aforesaid acreage previously known as State "B" No. 7 and now known as the Eumont Gas Unit No. 2 Well No. 1, located 1980 feet from the South line and 660 feet from the East line of said Section 29.

(5) That applicant has in good faith unsuccessfully attempted to voluntarily pool all royalty interests in aforesaid acreage.

(6) That denial by the Commission to pool the properties so requested in the application would deprive or tend to deprive the owner of such tract of the opportunity to recover its just and equitable share of the crude petroleum or natural gas or both in the pool.

(7) That creation of a proration unit consisting of the aforesaid acreage and the pooling of all interests therein will not cause but will prevent waste and will protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the application of the Humble Oil and Refining Company for approval of a non-standard gas proration unit in the Eumont Gas Pool consisting of the following described acreage, Lea County, New Mexico:

Township 21 South, Range 36 East, NMPM  
S/2 of Section 29

be and the same is hereby approved, and a proration unit consisting of the aforesaid acreage is hereby created.

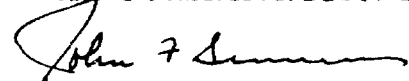
(2) That applicant's well, Eumont Gas Unit No. 2 Well No. 1, located in the NE/4 SE/4 of said Section 29, shall be granted an allowable in the proportion that the above described 320-acre unit bears to the standard proration unit for the Eumont Gas Pool.

(3) That the following described properties are hereby pooled to constitute a 320-acre drilling and proration unit for the gas and associated hydrocarbons within the vertical limits of the Eumont Gas Pool:

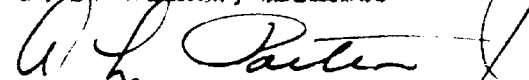
Township 21 South, Range 36 East, NMPM  
S/2 of Section 29

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



RECEIVED  
SEP 24 1956

Case # 1097

September 24, 1956

In reply refer to:  
Unit Division

Hervey, Dow and Hinkle  
First National Bank Building  
Roswell, New Mexico

Attention: Mr. Clarence E. Hinkle

Re: Humble's Eumont Gas Unit No. 2  
Well No. 1 Communitization -  
S/2 of Section 29-2S-36E,  
Lea County, New Mexico

Gentlemen:

We are enclosing four copies of the Humble's  
Eumont Gas Unit No. 2 Well No. 1 Communitization,  
which was approved by the Commissioner of Public  
Lands September 24, 1956.

Enclosed also is Official Receipt No. 127802-D  
in the amount of \$5.00 covering your filing fee.

Very truly yours,

E. S. WALKER  
Commissioner of Public Lands

MMR/m  
enc: 5

cc: OCC-Santa Fe  
OCC-Hobbs

COMMITMENT AGREEMENT

THIS AGREEMENT, made and entered into this the <sup>8th</sup> day of ~~October~~ <sup>November</sup>, 1925, by and between the Humble Oil & Refining Company, a Texas corporation with offices at Houston, Texas, party of the first part, hereinafter referred to as "Operator", and the other parties subscribing hereto, hereinafter referred to as "parties of the second part,

WITNESSETH:

WHEREAS, the parties hereto are seeking, mutually as stated in the preamble, to operate and develop the oil and gas bearing lands situated in the State of Texas, which said lands are now being operated by the Humble Oil & Refining Company, and for purposes of identification, the parties hereto have agreed that the lands so operated by the Humble Oil & Refining Company shall be known as the "committed area";

WHEREAS, the parties hereto have agreed that the lands so operated by the Humble Oil & Refining Company shall be known as the "committed area"; and that the parties hereto have agreed that the lands so operated by the Humble Oil & Refining Company shall be known as the "committed area"; and that the parties hereto have agreed that the lands so operated by the Humble Oil & Refining Company shall be known as the "committed area";

WHEREAS, the parties hereto have agreed that the lands so operated by the Humble Oil & Refining Company shall be known as the "committed area"; and that the parties hereto have agreed that the lands so operated by the Humble Oil & Refining Company shall be known as the "committed area";

WHEREAS, in consideration of the premises and the mutual advantage of the parties hereto, it is mutually agreed between the parties hereto as follows:

1. The following described land situated in the County, New Mexico, hereinafter referred to as the "committed area", shall be the lands covered by this agreement, to-wit:

S<sup>1</sup>/<sub>4</sub> Section 29, T. 21 S., R. 36 E., N.M.P.M., containing 360 acres, more or less.

RK



1900.

...in full force and effect according to their terms and conditions  
and except as expressly modified by this agreement, said license shall  
remain in full force and effect under the terms of the respective license  
agreements until the expiration of the term of the license which  
1 - The term of the respective license committed to this

agreement shall be the term of the license as provided in the respective license  
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ROBERT LEROY CRAIG

ROBERT LEROY CRAIG, JR.

DAVID FRANKLIN CRAIG

PARTIES OF THE SECOND PART

of **Smith, H. & H. Company, a Texas corporation, on behalf**  
of **Smith Corporation**

*Lilla Ellington*

NOTARY PUBLIC FOR TEXAS  
HARRIS COUNTY, TEXAS



BY **Notary Public**

**Notary Public**

**Notary Public**

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**SECRET**

[illegible]

Operating Rigidity - Freeborn Oil and Gas Company - Equal to 1/3 of 7/3 of all of the oil and gas which may be produced, saved and marketed from said land under the terms of said lease.

3. Oil and Gas Lease bearing No. B-6578 made and entered into on April 23, 1934 by and between the State of New Mexico, acting by and through its Commissioner of Public Lands, as lessor, and the

RECEIVED  
STANDARD OFFICE  
STANDARD E. N. M.



Office of Frederick W. Craig, deceased, and Marie Craig, as heirs,  
containing Section 29, P. M. S., R. M. S., R. M. S., containing  
the names of the heirs.

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the names of the heirs.

Section 29, P. M. S., R. M. S., R. M. S., containing  
the names of the heirs.

CERTIFICATE OF APPROVAL BY  
COMMISSIONER OF PUBLIC LANDS  
OF THE STATE OF NEW MEXICO  
OF COMMUNITIZATION AGREEMENT COVERING  
S1 SECTION 29, T. 21 S., R. 36 E., N.M.P.M.,  
La Brea, New Mexico

That I, E. S. Walker, Commissioner of Public Lands of the State of New Mexico, certify that the foregoing Communitization Agreement was filed in my office on the \_\_\_\_ day of \_\_\_\_\_, 1936, and I have carefully considered the same and find (a) that said agreement is necessary in order to form a drilling, mining or production unit or portion thereof under the rules and regulations of the New Mexico Oil Conservation Commission; (b) that upon the operations proposed, the State will receive 1/3 of the share of the recoverable oil or gas in place under its land in the area affected; (c) That the agreement is in other respects for the best interest of the State.

Now KNOWING, by virtue of the authority conferred upon me by the Laws of the State of New Mexico, I, the undersigned Commissioner of Public Lands of the State of New Mexico, do hereby consent to and approve the above referred to Communitization Agreement and the oil and gas leases covering lands of the State of New Mexico pertaining to said agreement shall be and the same are hereby amended so that the provisions thereof will conform to the provisions of said Communitization Agreement and so that the terms of said leases shall conform with the provisions of said agreement.

IN WITNESS WHEREOF, this certificate of approval is executed as of this the \_\_\_\_ day of \_\_\_\_\_, 1936.

Commissioner of Public Lands of the  
State of New Mexico

8

## BY COMMISSIONER OF PUBLIC LANDS, STATE OF NEW YORK

[illegible]

IN WITNESS WHEREOF, this Certificate of Approval is given  
with seal affixed, this 24th day of September 1944

*Edmund Burke*  
Governor of the State of New Jersey





8/23/56

Mr. R. L. Craig, Sr., c/o Craig Brokerage Co., Marott Hotel Bldg., Indianapolis, Indiana, was the only royalty interest owner who would not sign the communitization agreement in this case and a copy of the order was sent to him on this date at the above address.

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

August 14, 1956

C  
O  
P  
Y

Mr. Clarence Hinkle  
Hervey, Dow & Hinkle  
P.O. Box 547  
Roswell, New Mexico

Dear Sir:

On behalf of your client, Humble Oil & Refining Company, we  
enclose two copies of Order R-854 issued August 10, 1956, in Case  
1097, which was heard on July 11th at Hobbs.

Very truly yours,

A. L. Porter, Jr.  
Secretary - Director

brp  
Encls.

BEFORE THE OIL CONSERVATION COMMISSION  
STATE OFFICE OF THE STATE OF NEW MEXICO

APPLICATION OF THE HUMBLE OIL &  
REFINING COMPANY FOR APPROVAL OF  
A NON-STANDARD GAS PRORATION UNIT  
IN THE EUMONT GAS POOL COVERING  
S $\frac{1}{2}$  SECTION 29, T. 21 S., R. 36 E.,  
N.M.P.M., LEA COUNTY, NEW MEXICO,  
CONTAINING 320 ACRES, MORE OR LESS,  
IN ACCORDANCE WITH RULE 5(b) OF THE  
SPECIAL RULES AND REGULATIONS FOR THE  
EUMONT GAS POOL.

CASE NO. 1097

Comes the Humble Oil & Refining Company and hereby makes application for approval of a non-standard gas proration unit consisting of the S $\frac{1}{2}$  Section 29, T. 21 S., R. 36 E., containing 320 acres, more or less, in the Eumont gas pool in accordance with Rule 5(b) of the special rules and regulations for the Eumont Gas Pool heretofore adopted by the New Mexico Oil Conservation Commission, and as grounds therefor, respectfully shows:

1. That the proposed non-standard gas proration unit consists of contiguous quarter-sections, the same constituting the S $\frac{1}{2}$  Section 29, T. 21 S., R. 36 E., N.M.P.M.
2. That the proposed non-standard proration unit lies wholly within a single governmental section.
3. That the entire proposed non-standard gas proration unit is reasonably presumed to be productive of gas.
4. That the length or width of the proposed non-standard gas proration unit does not exceed 5,280 feet.
5. That the proposed gas proration unit is all state land and is covered by four separate oil and gas leases issued by the Commissioner of Public Lands of the State of New Mexico, and the Humble Oil & Refining Company is the owner of said leases as to all dry gas and associated liquid hydrocarbons which may be produced, saved and marketed from said area. That C. C. Pollard and the Peerless Oil and Gas Company are each the owners of a  $\frac{1}{8}$  of  $\frac{7}{8}$  overriding royalty covering the NW $\frac{1}{4}$ SW $\frac{1}{4}$  of said Section 29, and Robert Leroy Craig, Jr., David Frederick Craig and R. E. Craig are the owners of a  $\frac{1}{24}$  overriding royalty covering the NW $\frac{1}{4}$ SE $\frac{1}{4}$  of said Section 29.

*Added R. E. Craig Broverage Co.  
Marriott Hotel Bldg  
Indianapolis, Ind.*

6. That a Communitization Agreement has been entered into by and between the applicant and the owners of said overriding royalty interests subject to the approval of the Commissioner of Public Lands of the State of New Mexico covering said proposed gas proration unit, with the exception of R. E. Craig, who has a  $1/3$  of  $1/24$  overriding royalty interest in and to the NW $\frac{1}{4}$ SE $\frac{1}{4}$  of said Section 29, and the said R. E. Craig has refused to join in said Communitization Agreement purely for personal reasons.

7. That applicant has heretofore completed a gas well located in the NE $\frac{1}{4}$ SE $\frac{1}{4}$  of said Section 29 which is producing from the vertical limits of the Eumont Gas Pool as defined by the New Mexico Oil Conservation Commission, and upon approval of the S $\frac{1}{2}$  of said Section 29 as a non-standard gas proration unit, all of the gas produced from said well would be allocated to the respective leases covering said unit on an acreage basis in accordance with the terms of said Communitization Agreement.

8. That there is attached hereto, made a part hereof and for purposes of identification marked Exhibit A, a plat showing the proposed non-standard gas proration unit, the location of said gas well and other gas wells completed in the immediate vicinity thereof, and also showing the owners of the adjoining leasehold interests.

Respectfully submitted,

HUMBLE OIL & REFINING COMPANY

By

*[Signature]*

FORM APPROVED  
Hervey, Dow & Hinkle

BY *[Signature]*

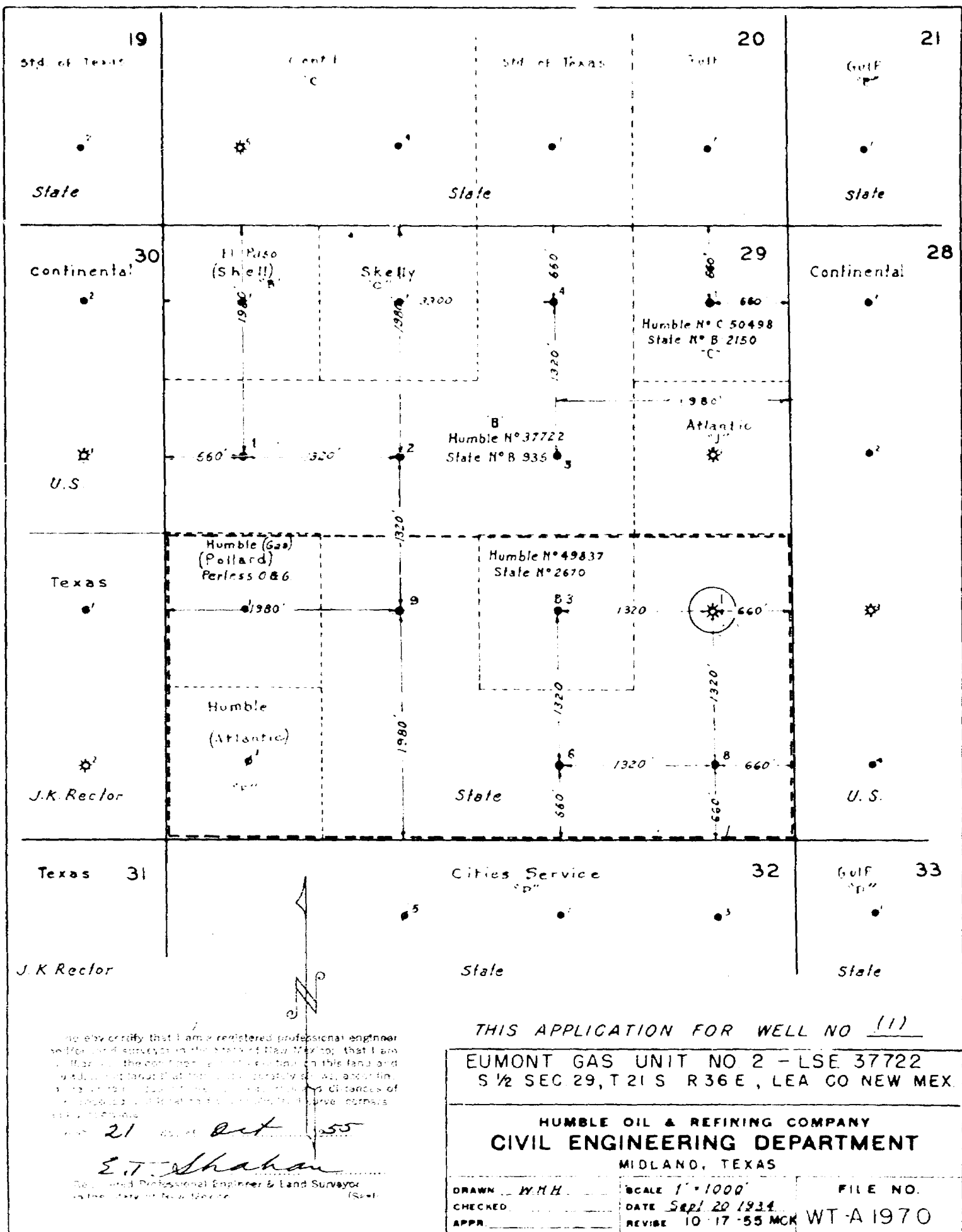
HERVEY, DOW & HINKLE

By

*[Signature]*

Roswell, New Mexico

Attorneys for Applicant



I hereby certify that I am a registered professional engineer and land surveyor in the State of New Mexico; that I am the owner of the land shown on this map and that I am the owner of the well shown on this map and that I am the owner of the land shown on this map and that I am the owner of the well shown on this map.

21 Oct 1955  
 E.T. Shahan  
 Registered Professional Engineer & Land Surveyor  
 in the State of New Mexico

THIS APPLICATION FOR WELL NO 11

EUMONT GAS UNIT NO 2 - LSE 37722  
 S 1/2 SEC 29, T21 S R36 E, LEA CO NEW MEX.

HUMBLE OIL & REFINING COMPANY  
 CIVIL ENGINEERING DEPARTMENT  
 MIDLAND, TEXAS

DRAWN W.H.H.  
 CHECKED  
 APPR.

SCALE 1" = 1000'  
 DATE Sep 20 1954  
 REVISE 10-17-55 MCK

FILE NO.  
 WT-A 1970

Exhibit "A"

J. M. HERVEY 1874-1953  
HIRAM M. DOW  
CLARENCE E. HINKLE  
W. E. BONDURANT, JR.  
GEORGE H. HUNKER, JR.  
HOWARD C. BRATTON  
S. B. CHRISTY IV  
J. PENROD TOLES  
LEWIS C. COX, JR.

LAW OFFICES  
HERVEY, DOW & HINKLE  
FIRST NATIONAL BANK BUILDING  
ROSWELL, NEW MEXICO  
TELEPHONE 2-6510

July 23, 1956

*Case # 1097*

*Exhibit 3*

New Mexico Oil Conservation Commission  
Capitol Building  
Santa Fe, New Mexico

Attention: Warren Mankin

Gentlemen:

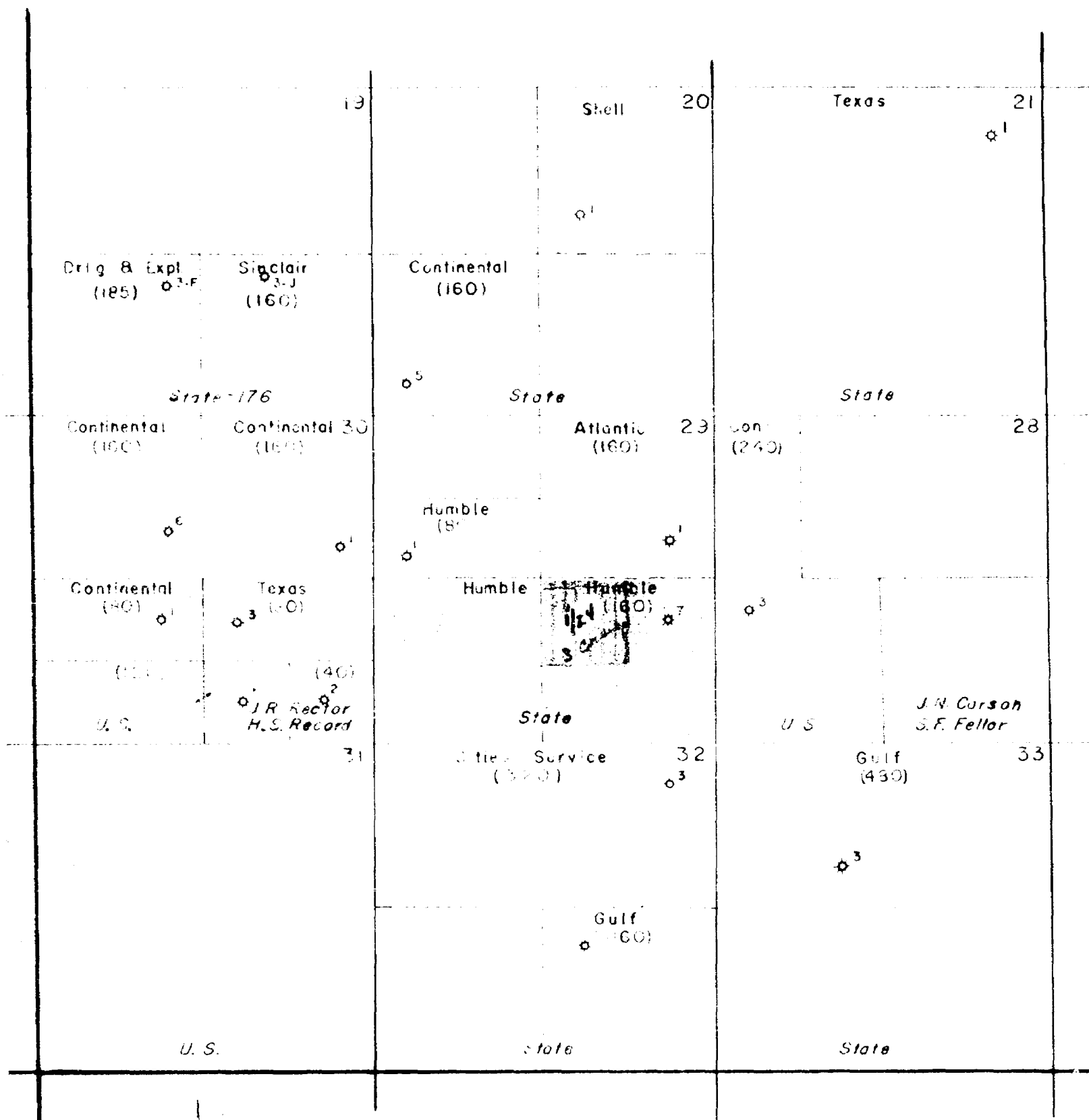
Mr. Mankin delivered to the writer Exhibit III introduced by the Humble Oil & Refining Company in connection with case 1097. This exhibit consisted of three counterparts of a Communitization Agreement dated November 8, 1955 between the Humble and other interested parties. The originals were introduced with the understanding that they would be withdrawn and photostatic copies submitted for substitution, which are enclosed herewith.

Yours very truly,

HERVEY, DOW & HINKLE

BY: 

CEH:jy  
Encls.



PORTION OF T-21-S R 36-E

SHOWING

GAS WELLS

H. O. & R.

EXHIBIT

BEFORE THE  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO  
EXHIBIT No. 1  
CASE 1097



J. M. HERVEY 1874-1956  
HIRAM M. DOW  
CLARENCE E. HINKLE  
W. E. BONDURANT, JR.  
GEORGE M. HUNKER, JR.  
HOWARD C. BRATTON  
S. B. CHRISTY, IV  
J. PENROD TOLES  
LEWIS C. COX, JR.

LAW OFFICES

HERVEY, DOW & HINKLE

FIRST NATIONAL BANK BUILDING

ROSWELL, NEW MEXICO

May 28, 1956

TELEPHONE MAIN 2-6510

Mr. A. L. Porter,  
Executive Secretary  
New Mexico Oil Conservation Commission  
Santa Fe, New Mexico

Re: Eumont Gas Unit  
S $\frac{1}{2}$  Sec. 29, T. 21 S., R. 36 E.,  
Lea County, New Mexico

Dear Mr. Porter:

We hand you herewith in triplicate application of the Humble Oil & Refining Company for approval of a non-standard gas proration unit in the Eumont Gas Pool consisting of the S $\frac{1}{2}$  Section 29, T. 21 S., R. 36 E.

The proposed gas unit is all state land and the Humble is the owner of the working interest as to all dry gas and associated liquid hydrocarbons as to the several state leases covering the area. The Humble has entered into a communitization agreement subject to approval of the Commissioner of Public Lands and the Oil Conservation Commission, which has been executed by all interested parties including all royalty owners except one owner of an overriding royalty amounting to 1/3 of 1/24 interest in the NW $\frac{1}{4}$ SE $\frac{1}{4}$  Sec. 29. This application would be a forced pooling as far as this interest is concerned and we believe that perhaps the notice to be published in connection with the hearing should so state.

We would appreciate your setting this matter down for hearing before an examiner as soon as possible.

Yours very truly,

HERVEY, DOW & HINKLE

By Clarence E. Hinkle  
mp

CEH:mp  
Encl.

cc - Mr. R. M. Richardson  
Mr. J. W. House  
Mr. R. S. Dewey  
Mr. F. D. Richardson  
Mr. M. L. McMillan  
Mr. R. W. Bybee

Transmitted by  
Mr. Hinkle  
9 AM

On July 11, 1956

Case # ~~1097~~  
1097

Humble State B # 7

Well will be

Humble Eumont Gas  
Unit No. 2 well #1

Send Copy  
of Draft  
to Rob Dewey  
& Clarence  
Hinkle  
on 6/1/56