

MAIN OFFICE *Western Natural Gas Company*

1955 MAY 20 AM 8:11

1006 MAIN STREET

Houston 2, Texas

W. K. DAVIS
VICE-PRESIDENT
IN CHARGE OF
OPERATIONS

May 18, 1955

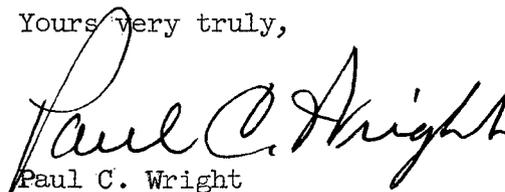
New Mexico Oil Conservation Commission
P.O. Box 871
Santa Fe, New Mexico

Gentlemen:

On March 26, 1955, we made application for administrative approval of unorthodox gas proration unit consisting of 160 acres in the northwest quarter of Section 25, Township 23S, Range 36E, Lea County, New Mexico. This unit was to be assigned to our Lankford #1 casing completion in the Jalmat Pool.

As yet, we have not received an order approving this application. We will appreciate it if you will advise us concerning its status. Please let us know if there is anything else required in connection with this application.

Yours very truly,


Paul C. Wright

PCW:mn
cc :K.P. Moore
R.H. McKoy

OIL CONSERVATION COMMISSION

BOX 2045

HOBBS, NEW MEXICO

DATE 4/5/55

MR. W. B. MACEY
OIL CONSERVATION COMMISSION
BOX 871
SANTA FE, NEW MEXICO

RE:
PROPOSED NSP 133
PROPOSED NSL _____

Dear Mr. Macey:

I have examined the application dated 3/26/55

for the Western Natural Gas Company Lankford #1-C 25-23-36
Operator Lease and Well No. S-T-R

and my recommendations are as follows:

OK-Randall

OK-SJS

Yours very truly,
OIL CONSERVATION COMMISSION

Stanley J. Stanley
Engineer

hs
160 acres NW/4

cc: OCL - Hobbs
3/29/55

NSP-133
due 4/26/55

MAIN OFFICE **Western Natural Gas Company**

1955 MAR 23 AM 9:16

1006 MAIN STREET

Houston 2, Texas

March 26, 1955

W. K. DAVIS
VICE-PRESIDENT
IN CHARGE OF
OPERATIONS

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

Gentlemen:

We herewith make application in triplicate for an unorthodox gas proration unit of 160 acres consisting of the northwest quarter of Section 25, Township 23S, Range 36E, Lea County, New Mexico. This unit is to be assigned to our Lankford #1 Casing completion in the Jalmat Pool, located 660' from the north line and 1980' from the west line of Section 25-23S-36E. We attach herewith three copies of the plat of this unit showing acreage involved, the location of the well, and the offset ownership.

We wish to make the following statements in compliance with Order No. R-520:

1. Our Lankford #1 well was worked over and dually completed on June 30, 1953 in conformance with the rules and regulations in effect at that time.
2. This well is completed within the vertical limits and horizontal limits of the Jalmat Pool.
3. The location falls within the limits prescribed for a 160 acre unit by Rule 5 (a), Order No. R-520.
4. The unit consists of continuous and contiguous acreage.
5. The unit lies wholly within a governmental section.
6. In my opinion, the unit is reasonably productive of gas.
7. The unit does not exceed 5280' along its length or width.
8. By copy of this letter and plat, we have notified the following offset owners by registered U.S. Mail:

Continental Oil Company
Box 427
Hobbs, New Mexico

Texas Pacific Coal & Oil Company
Box 2110
Fort Worth, Texas

8. (Con't)

Albert Gackle
419 Ft. Worth National Bank Building
Fort Worth 2, Texas

Southern California Petroleum Corp.
Box 172
Midland, Texas

Sinclair Oil and Gas Company
Box 1470
Hobbs, New Mexico

Baker and Taylor Drlg. Company
712 1st National Bank Bldg.
Amarillo, Texas

Magnolia Petroleum Company
Box 727
Kermit, Texas

General Crude Oil Company
Route 2
Hamlin, Texas

- 9. In my opinion, this well will produce the allowable normally assigned to a 160 acre gas proration unit.
- 10. We have made arrangements with Magnolia Petroleum Company and General Crude Oil Company to include their acreage in the southwest quarter of the northwest quarter of Section 25-23S-36E within this unit. Attached herewith are copies of assignments from Magnolia Petroleum Company and General Crude Oil Company to Western Natural Gas Company on this acreage.

Very truly yours,

Paul C. Wright
Paul C. Wright

PCW:mn

cc :K.P. Moore
R.H. McKoy
Continental Oil Company
Texas Pacific Coal & Oil Co.
Albert Gackle
Southern California Petroleum Corp.
Sinclair Oil and Gas Company
Baker and Taylor Drlg. Company
Magnolia Petroleum Company
General Crude Oil Company

I hereby certify that the statements made in this application are true and correct to the best of my knowledge and belief.

Paul C. Wright
Paul C. Wright

Chief Engineer

Title

SUBSCRIBED AND SWORN TO BEFORE ME THE 26 DAY OF March, 1955.

Mary Nichols
NOTARY PUBLIC IN AND FOR

Harris COUNTY, TEXAS

(SEAL)

MARY NICHOLS
Notary Public in and for Harris County, Texas

GAS WELL PLAT

DATE March 24, 1955

WESTERN NATURAL GAS CO. Lankford 1-Casing
LEASE WELL NO.

FORMATION Yates POOL Jal-Mat ACRES DEDICATED 160

TYPE OF COMPLETION Dual OTHER DUALY COMPLETED WELLS WITHIN
THE DEDICATED ACREAGE None

RANGE 36 E

(23) A Gackle
"Sinclair"



(24)

T.P.C. & O. Company
"A-1"



17

State

State

Continental
"B-26"
"J.T. Lynn" 2



Western Nat. Gas

So. California Pet



Carter



TOWNSHIP 23S

(26)



Lankford

(25)

Lankford

TOWNSHIP 23S

3-B

2-B

Continental Oil
"B-25"



Baker & Taylor to 4000'
"J.T. Lynn"

4-B

1-B

4

3

U.S.A.

U.S.A.

RANGE 36 E

I HEREBY CERTIFY THAT THE INFORMATION
GIVEN ABOVE IS TRUE AND COMPLETE TO
THE BEST OF MY KNOWLEDGE.

NAME Paul C. Knight
POSITION Chief Engineer
REPRESENTING Western Natural Gas Co.
ADDRESS 1006 Main St. - Houston, Texas

STATE OF NEW MEXICO

COUNTY OF LEA

KNOW ALL MEN BY THESE PRESENTS:

That, GENERAL CRUDE OIL COMPANY, a corporation, incorporated under the laws of the State of Delaware, with its principal office at Houston, Harris County, Texas, and having a permit to do business in the State of New Mexico, for and in consideration of the sum of FIVE DOLLARS (\$5.00), to it cash in hand paid by WESTERN NATURAL GAS COMPANY, the receipt of which is hereby acknowledged and for the further consideration hereinafter recited, and subject to the exceptions and reservations hereinafter stated, has GRANTED, CONVEYED and ASSIGNED and by these presents, does hereby GRANT, CONVEY and ASSIGN, unto the said WESTERN NATURAL GAS COMPANY, with an office in Houston, Texas, all of the right, title and interest of GENERAL CRUDE OIL COMPANY in and to the gas rights only (gas is defined as gas in its natural state as produced from the well and includes its content of gasoline and all liquefiable hydrocarbons produced at the well head by ordinary production methods but does not include "casinghead gas", which is defined as gas and its products produced with oil from an oil well and an oil stratum) in the following described leases, insofar as the same cover the land hereinafter described, down to and including the depth of 4,000 feet, to-wit:

1. (NM-95-A) Lease dated July 10, 1930, from Empire Gas & Fuel Company to Shell Petroleum Corporation, recorded in Book 18 at Page 151 of the records of Lea County, New Mexico.
2. (NM-95-B) Lease dated July 10, 1930, from Atlantic Oil Producing Company to Shell Petroleum Corporation, recorded in Book 18 at Page 152 of the records of Lea County, New Mexico.
3. (NM-95-C) Lease dated July 8, 1930, from Kirby Petroleum Company to Shell Petroleum Corporation, recorded in Book 18 at Page 153 of the records of Lea County, New Mexico.
4. (NM-95-D) Lease dated July 10, 1930, from Edson Petroleum Company to Shell Petroleum Corporation, recorded in Book 18 at Page 154 of the records of Lea County, New Mexico.
5. (NM-95-E) Lease dated July 10, 1930, from Federal Royalties Company, Inc. to Shell Petroleum Corporation, recorded in Book 18 at Page 155 of the records of Lea County, New Mexico.
6. (NM-95-F) Lease dated July 10, 1930, from Cranfill-Reynolds Company to Shell Petroleum Corporation, recorded in Book 18 at Page 156 of the records of Lea County, New Mexico.

7. (NM-95-G) Lease dated July 10, 1930, from Magnolia Petroleum Company to Shell Petroleum Corporation, recorded in Book 18 at Page 157 of the records of Lea County, New Mexico.

insofar and only insofar as each of the above listed leases covers the SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 25-23S-36E, Lea County, New Mexico, 40 acres, more or less.

Reference is hereby made to the above leases and the record thereof for this and for all other purposes.

There is excepted from this assignment and reserved unto General Crude Oil Company, assignor herein, its successors and assigns, all rights, titles, estates and interests in the oil and oil rights at all depths and the gas and gas rights, below the depth of 4,000 feet, in the above described leases, or any modifications, renewals or extensions thereof.

There is excepted from this assignment and reserved unto General Crude Oil Company, its successors and assigns, a free overriding royalty of $\frac{8}{128}$ ($\frac{1}{2}$ of $\frac{1}{8}$ of $\frac{8}{8}$) of all gas that may be produced and saved from the premises as herein assigned, under and by virtue of the above described leases or any modifications, renewals or extensions, thereof above the depth of 4,000 feet.

The overriding royalty herein reserved shall be received by the assignor herein, its successors and assigns, as a free perpetual overriding royalty without cost or expense of production.

Said overriding royalty herein reserved shall be measured on the basis of the market value thereof at the well.

Fuel gas for operating the premises shall be deducted before computing said overriding royalty.

Insofar as the overriding royalty interest herein reserved is concerned, General Crude Oil Company hereby agrees that the assignee, its successors and assigns, may consolidate the leasehold estate hereby assigned with a similar area described as the North Half of the Northwest Quarter and the Southeast Quarter of the Northwest Quarter of Section 25-23S-36E, Lea County, New Mexico, in order to form a 160 acre unit for the production of gas, and in the event of such consolidation, General Crude Oil Company's proportion of the gas production from the consolidation unit by virtue of its ownership of said overriding royalty shall be $\frac{8}{512}$ ($\frac{1}{4}$ of $\frac{1}{2}$ of $\frac{1}{8}$ of $\frac{8}{8}$) of all

gas produced from the consolidated unit.

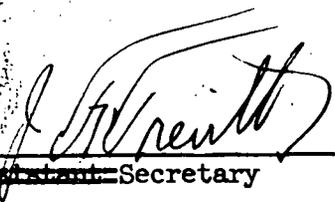
This assignment shall automatically terminate and the gas rights conveyed herein shall revert to General Crude Oil Company thirty (30) days after the date on which the well located in the center of the NE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 25-23S-36E, Lea County, New Mexico, or any subsequent well located on a unit composed of the NW $\frac{1}{4}$ of Section 25-23S-36E, Lea County, New Mexico, ceases to produce, above the depth of 4,000 feet, gas attributed to such unit and accounted for on a unit basis. However, if on such reversion date the above described leases remain in force and assignee, its successors and assigns, is then engaged in operations for drilling, mining or reworking any well in an effort to resume the production of gas, above 4,000 feet, for the benefit of said unit, then in that event this assignment shall remain in force so long as such operations are prosecuted (whether on the same or different wells) with no cessation of more than thirty (30) days, and if they result in gas production, so long thereafter as gas is produced on the unit basis. Nothing herein contained shall be construed to modify the provisions of the assigned leases.

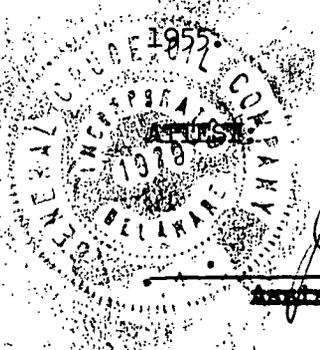
This assignment is made without warranty of title, either expressed or implied.

IN WITNESS WHEREOF, GENERAL CRUDE OIL COMPANY has caused these presents to be executed by its duly authorized officers and its corporate seal to be affixed at Houston, Texas, this the 16th day of March,

GENERAL CRUDE OIL COMPANY

By


Vice President


~~Assistant~~ Secretary

STATE OF TEXAS

COUNTY OF HARRIS

On this 16th day of March, 1955, before me appeared J. W. Cutbirth, to me personally known, who, being by me duly sworn, did say that he is the Vice President of GENERAL CRUDE OIL COMPANY, and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said J. W. Cutbirth acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the day and year in this certificate first above written.

Roselle Davison ROSELLE DAVISSON
Notary Public

My Commission expires:
June 1, 1955

STATE OF NEW MEXICO

COUNTY OF LEA

KNOW ALL MEN BY THESE PRESENTS:

That MAGNOLIA PETROLEUM COMPANY, a corporation, incorporated under the laws of the State of Texas, with its principal office at Dallas, Texas, and having a permit to do business in the State of New Mexico, for and in consideration of the sum of FIVE DOLLARS (\$5.00), to it cash in hand paid by WESTERN NATURAL GAS COMPANY, the receipt of which is hereby acknowledged and for the further consideration hereinafter recited, and subject to the exceptions and reservations hereinafter stated, has GRANTED, CONVEYED and ASSIGNED and by these presents, does hereby GRANT, CONVEY and ASSIGN, unto the said WESTERN NATURAL GAS COMPANY, with an office in Houston, Texas, all of the right, title and interest of MAGNOLIA PETROLEUM COMPANY in and to the gas rights only (gas is defined as gas in its natural state as produced from the well and includes its content of gasoline and all liquefiable hydrocarbons produced at the well head by ordinary production methods but does not include "casinghead gas", which is defined as gas and its products produced with oil from an oil well and an oil stratum) in the following described leases, insofar as the same cover the land hereinafter described, down to and including the depth of 4,000 feet, to-wit:

1. (NM-95-A) Lease dated July 10, 1930, from Empire Gas & Fuel Company to Shell Petroleum Corporation, recorded in Book 18 at Page 151 of the records of Lea County, New Mexico.
2. (NM-95-B) Lease dated July 10, 1930, from Atlantic Oil Producing Company to Shell Petroleum Corporation, recorded in Book 18 at Page 152 of the records of Lea County, New Mexico.
3. (NM-95-C) Lease dated July 8, 1930, from Kirby Petroleum Company to Shell Petroleum Corporation, recorded in Book 18 at Page 153 of the records of Lea County, New Mexico.
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6. (NM-95-F) Lease dated July 10, 1930, from Cranfill-Reynolds Company to Shell Petroleum Corporation, recorded in Book 18 at Page 156 of the records of Lea County, New Mexico.

7. (NM-95-G) Lease dated July 10, 1930, from Magnolia Petroleum Company to Shell Petroleum Corporation, recorded in Book 18 at Page 157 of the records of Lea County, New Mexico.

insofar and only insofar as each of the above listed leases covers the SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 25-23S-36E, Lea County, New Mexico, 40 acres, more or less.

Reference is hereby made to the above leases and the record thereof for this and for all other purposes.

There is excepted from this assignment and reserved unto Magnolia Petroleum Company, assignor herein, its successors and assigns, all rights, titles, estates and interests in the oil and oil rights at all depths and the gas and gas rights, below the depth of 4,000 feet, in the above described leases, or any modifications, renewals or extensions thereof.

There is excepted from this assignment and reserved unto Magnolia Petroleum Company, its successors and assigns, a free overriding royalty of $\frac{8}{128}$ ($\frac{1}{2}$ of $\frac{1}{8}$ of $\frac{8}{8}$) of all gas that may be produced and saved from the premises as herein assigned, under and by virtue of the above described leases or any modifications, renewals or extensions, thereof above the depth of 4,000 feet.

The overriding royalty herein reserved shall be received by the assignor herein, its successors and assigns, as a free perpetual overriding royalty without cost or expense of production.

Said overriding royalty herein reserved shall be measured on the basis of the market value thereof at the well.

Fuel gas for operating the premises shall be deducted before computing said overriding royalty.

Insofar as the overriding royalty interest herein reserved is concerned, Magnolia Petroleum Company hereby agrees that the assignee, its successors and assigns, may consolidate the leasehold estate hereby assigned with a similar area described as the North Half of the Northwest Quarter and the Southeast Quarter of the Northwest Quarter of Section 25-23S-36E, Lea County, New Mexico, in order to form a 160 acre unit for the production of gas, and in the event of such consolidation, Magnolia Petroleum Company's proportion of the gas production from the consolidation unit by virtue of its ownership of said overriding royalty shall be

8/512 (1/4 of 1/2 of 1/8 of 8/8) of all gas produced from the consolidated unit.

This assignment shall automatically terminate and the gas rights conveyed herein shall revert to Magnolia Petroleum Company thirty (30) days after the date on which the well located in the center of the NE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 25-23S-36E, Lea County, New Mexico, or any subsequent well located on a unit composed of the NW $\frac{1}{4}$ of Section 25-23S-36E, Lea County, New Mexico, ceases to produce, above the depth of 4,000 feet, gas attributed to such unit and accounted for on a unit basis. However, if on such reversion date the above described leases remain in force and assignee, its successors and assigns, is then engaged in operations for drilling, mining or reworking any well in an effort to resume the production of gas, above 4,000 feet, for the benefit of said unit, then in that event this assignment shall remain in force so long as such operations are prosecuted (whether on the same or different wells) with no cessation of more than thirty (30) days, and if they result in gas production, so long thereafter as gas is produced on the unit basis. Nothing herein contained shall be construed to modify the provisions of the assigned leases.

This assignment is made without warranty of title, either expressed or implied.

IN WITNESS WHEREOF, MAGNOLIA PETROLEUM COMPANY has caused these presents to be executed by its duly authorized officers and its corporate seal to be affixed at Dallas, Texas, this the 27th day of January, 1955.

ATTEST:

MAGNOLIA PETROLEUM COMPANY


Assistant Secretary

By 
Vice-President

APPROVED	
Legal	<i>JS</i>
Tax	
Title R	<i>JS</i>
Engr.	
Gas	<i>JS</i>
Land	<i>JS</i>
Prod	

STATE OF TEXAS
COUNTY OF DALLAS

On this 28th day of January, 1955, before me appeared J. A. Thompson, to me personally known, who, being by me duly sworn, did say that he is the Vice-President of MAGNOLIA PETROLEUM COMPANY, and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said J. A. Thompson acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the day and year in this certificate first above written.

My commission expires
June 1, 1955

Gladys H. Waisters
Notary Public
GLADYS H. WAISTERS, Notary Public
In and for Dallas County, Texas