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NSP-257
due 4/25/56

MAIN OFFICE OCC PETROLEUM AND ITS PRODUCTS

GULF OIL CORPORATION

1956 MAR 25 AM 8:55 P. O. DRAWER 1290 FORT WORTH 1, TEXAS

B. E. THOMPSON
DIVISION PRODUCTION MANAGER

FORT WORTH
PRODUCTION DIVISION

March 19, 1956

Re: Application for 160-Acre Non-Standard Gas Proration Unit, Eumont Gas Pool, Comprising SE/4 of Section 36, T-20-S, R-36-E, Lea County, New Mexico

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

Gentlemen:

Gulf Oil Corporation hereby makes application for approval of a non-standard gas proration unit comprising the SE/4 of Section 36, T-20-S, R-36-E, Lea County, New Mexico, and in support thereof states the following facts:

- (1) Gulf Oil Corporation is the owner and operator of an oil and gas lease known as its H. T. Orcutt "C" Lease located in the S/2 of SE/4 of Section 36, T-20-S, R-36-E, Lea County, New Mexico. The Atlantic Refining Company is owner and operator of an oil and gas lease located in the N/2 of SE/4 of Section 36, T-20-S, R-36-E, Lea County, New Mexico. The Gulf and Atlantic leases comprise the 160 acres above described. Gas Pooling Agreement covering the above described acreage was approved February 21, 1956, by the Commissioner of Public Lands of the State of New Mexico.
- (2) Gulf Oil Corporation proposes that the above described acreage be established as a non-standard 160-acre gas proration unit in exception to Rule 5(a) of Order R-520.
- (3) Gulf Oil Corporation's H. T. Orcutt "C" Well No. 5 located 660 feet from the South line and 660 feet from the East line, Section 36, T-20-S, R-36-E, Lea County, New Mexico, was completed on February 16, 1956, as a gas-oil dual well. This well is in the Eumont Gas Pool and the Eunice Monument Eunice Oil Pool. The applicant proposes to use this well as the unit well.
- (4) 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:

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DC-270

March 19, 1956

- (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 5,280 feet.
- (e) Gulf Oil Corporation is lessee and operator of the entire section of land as shown on the attached plat, and by copy of this letter of application, all operators within 1,500 feet of the proposed unit well are notified by registered mail of the intent of Gulf Oil Corporation 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:

The Atlantic Refining Company
Box 871
Midland, Texas

Humble Oil and Refining Company
Box 1600
Midland, Texas
Attn: Mr. R. S. Dewey

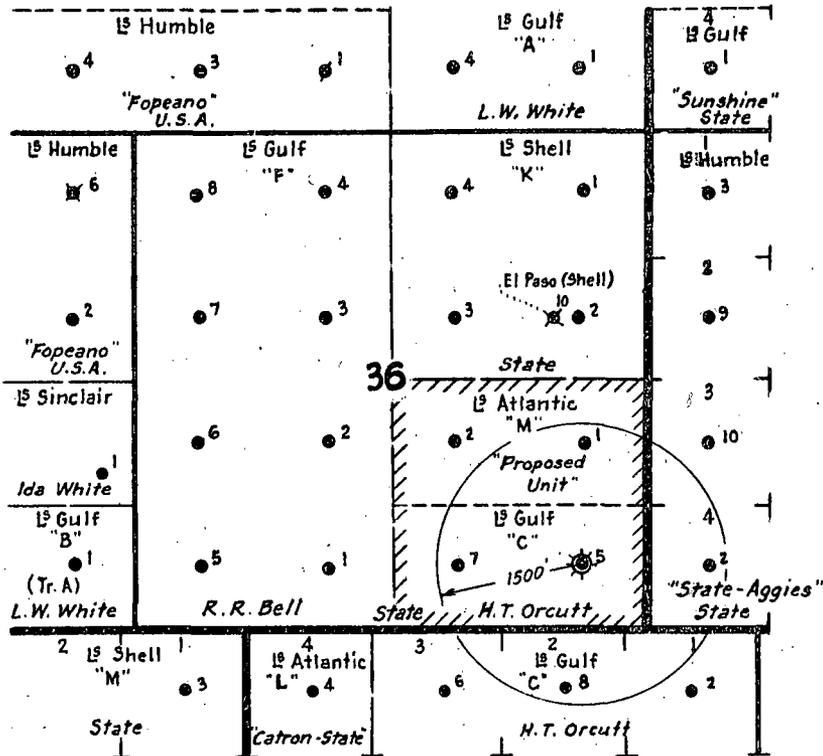
El Paso Natural Gas Company
Box 1384
Jal, New Mexico

Shell Oil Company
Box 1957
Hobbs, New Mexico

cc: Oil Conservation Commission
P. O. Box 2045
Hobbs, New Mexico
Attn: Mr. A. L. Porter, Jr.

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

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

Gulf - H. T. Orcutt "C" Lease - 80 Acres

Atlantic State "M" Lease - 80 Acres

STATE OF TEXAS |

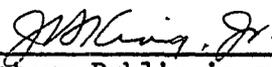
COUNTY OF TARRANT |

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 March 19, 1956, are true and correct and that copies of such Application were duly deposited on March 21st, 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 21st day of March, 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



PETROLEUM AND ITS PRODUCTS

MAIN OFFICE OCC

1955 APR 30 AM

GULF OIL CORPORATION

P. O. DRAWER 669 • ROSWELL, NEW MEXICO

F. E. CURTIS, JR.
ZONE LANDMAN

April 27, 1956

FORT WORTH
PRODUCTION DIVISION

H. T. Orcutt "C" Eumont
Gas Unit No. 1 - SE/4 of
Section 36, T-20-S, R-36-E,
Lea County, New Mexico.

Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico
Attention: Mr. A. L. Porter

Oil Conservation Commission
1200 West Broadway
Hobbs, New Mexico
Attention: Mr. R. F. Montgomery

Gentlemen:

Pursuant to the recent conversation between Mr. R. L. Boss and Mr. A. L. Porter and Mr. R. F. Montgomery regarding evidence to the Commission substantiating our application for the subject gas production unit and others which will follow, we are enclosing herewith photostatic copy of the gas pooling agreement between Gulf Oil Corporation and The Atlantic Refining Company, covering the above described tract and approved by the Commissioner of Public Lands February 21, 1956.

We trust that this will meet with your approval as sufficient evidence of pooling by all parties for production of dry gas and associated liquid hydrocarbons from the Eumont Gas Pool under the above described tract.

Very truly yours,


F. E. CURTIS, JR.

SHC:dm
Enc.

GAS POOLING AGREEMENT

RECEIVED
OIL LAND OFFICE
FEB 20 10 01 AM '56

THIS AGREEMENT made and entered into the 19th day of October, 1955 by and between GULF OIL CORPORATION, hereinafter called "Gulf", and THE ATLANTIC REFINING COMPANY, hereinafter called "Atlantic",

WITNESSETH, that

WHEREAS, Gulf is the owner and holder of State of New Mexico Oil and Gas Lease No. B-244 dated September 10, 1931, from the State of New Mexico as Lessor, to Gypsy Oil Company, covering, among other lands, the S $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 36, Township 20 South, Range 36 East, N.M.P.M., Lea County, New Mexico; and

WHEREAS, Atlantic is the owner and holder of State of New Mexico Oil and Gas Lease No. E-1674 dated January 30, 1933 from the State of New Mexico as Lessor, to Atlantic Oil Producing Company, covering the N $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 36, Township 20 South, Range 36 East, N.M.P.M., Lea County, New Mexico; and

WHEREAS, it is the desire of Gulf and Atlantic that this agreement cover the SE $\frac{1}{4}$ of Section 36, Township 20 South, Range 36 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.

ATTEST:

[Signature]
Assistant Secretary

H. M. Bayer

GULF OIL CORPORATION

By: [Signature]

H. M. Bayer, Vice President

THE ATLANTIC REFINING COMPANY

ATTEST:

R. O. Potchenick

Assistant

By: [Signature]

GENERAL MANAGER OF
DOMESTIC CRUDE OIL PRODUCTION

STATE OF TEXAS)
COUNTY OF TARRANT) SS

On this 19th day of October, 1955, before me personally appeared H. M. BAYER, to me personally known, who being by me duly sworn did say that he is the Vice President of GULF OIL CORPORATION 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 the said H. M. BAYER acknowledged said instrument to be the free act and deed of said corporation.

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

Eva Marie Cooper
Notary Public Eva Marie Cooper

My commission expires:

June 1, 1957

STATE OF Texas)
COUNTY OF Dallas) SS

On this 7th day of February, 1956, before me personally appeared _____, to me personally known, who being by me duly sworn did say that he is the MANAGER OF DOMESTIC GRADE OIL PRODUCTION of THE ATLANTIC REFINING 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 the said _____ acknowledged said instrument to be the free act and deed of said corporation.

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

Holly Mae Tippet
Notary Public

My commission expires:

6-1-57

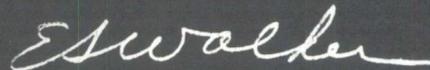
CERTIFICATE OF APPROVAL
BY COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO
OF COMMUNITIZATION AGREEMENT

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, the attached Communitization Agreement for the development and operation of the SE $\frac{1}{4}$ of Section 36, Township 20 South, Range 36 East, N.M.P.M., Lea County, New Mexico, dated October 19 1955, which has been executed or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement the Commissioner finds:

- (a) That such Agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area;
- (b) That under the operations proposed, the State will receive its fair 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;
- (d) That the Agreement provides for the operation of the area as a unit for the allocation of production and the sharing of proceeds on an acreage basis as specified in the Agreement.

NOW, THEREFORE, by virtue of the authority conferred upon me by Chap. 88 of the Laws of the State of New Mexico, 1943, as amended by Chap. 162 of the laws of New Mexico, 1951, I, the undersigned, Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the communitized area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid Chap. 88 of the Laws of the State of New Mexico, 1943, as amended by Chap. 162 of the Laws of the State of New Mexico, 1951.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 21st day of February, 1956.



Commissioner of Public Lands
of the State of New Mexico

MAIN OFFICE OCC

1956 MAY 24 AM 8:16

May 23, 1956

In reply refer to:
Unit Division

Gulf Oil Corporation
P. O. Drawer 669
Roswell, New Mexico

Re: Gulf-Atlantic Communitization -
SE/4 of Section 36-20S-36E,
Lea County, New Mexico

Attention: Mr. Curtis

Gentlemen:

In regard to the above designated Communitization, which was approved by the Commissioner of Public Lands on February 21, 1956, this agreement was to become effective as of the date upon which an allowable production was obtained.

We would like to know and have reports on the well to which this Communitization is dedicated and when such allowable was granted by the Oil Conservation Commission.

May we have this information at your earliest convenience.

Very truly yours,

E. S. WALKER
Commissioner of Public Lands

MMR/m

cc: OCC-Santa Fe

February 21, 1956

In reply refer to:
Unit Division

Gulf Oil Corporation
P. O. Drawer 669
Roswell, New Mexico

Re: Gulf-Atlantic Communitization
SE/4 of Section 36-20S-36E
Lea County, New Mexico

Attention: Mr. Curtis

Gentlemen:

We are handing you herewith two copies of the Gulf-Atlantic Communitization Agreement, which was approved by the Commissioner of Public Lands on February 21, 1956, subject to like approval by the New Mexico Oil Conservation Commission.

Official Receipt in the amount of \$5.00 covering your filing fee is attached hereto.

Very truly yours,

E. S. WALKER
Commissioner of Public Lands

MMR/m
encl: 3

cc: OCC-Santa Fe