



PETROLEUM AND ITS PRODUCTS

GULF OIL CORPORATION

P. O. DRAWER 1290 FORT WORTH 1, TEXAS

NSP-267
Am 5/29/56

B. E. THOMPSON
DIVISION PRODUCTION MANAGER

FORT WORTH
PRODUCTION DIVISION

April 25, 1956

Re: Application for 160-Acre Gulf-Amerada Non-Standard Gas Proration Unit, Eumont Gas Pool, Comprising NE/4 of Section 13, T-20-S, R-36-E, Lea County, New Mexico

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

Gentlemen:

Gulf Oil Corporation hereby makes application for approval of a non-standard gas proration unit comprising the NE/4 of Section 13, T-20-S, R-36-E, Lea County, New Mexico, and in support thereof states the following facts:

- (1) Gulf Oil Corporation is owner and operator of an oil and gas lease known as its H. T. Orcutt "D" Lease located in the W/2 of NE/4 of Section 13, T-20-S, R-36-E, Lea County, New Mexico. Amerada Petroleum Corporation is owner and operator of an oil and gas lease known as its State "Z" Lease located in the E/2 of NE/4 of Section 13, T-20-S, R-36-E, Lea County, New Mexico. The Gulf and Amerada leases comprise the 160 acres above described.
- (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 is the owner and operator of the H. T. Orcutt "D" Well No. 2 located 1,980 feet from the East line and 1,980 feet from the North line of Section 13, T-20-S, R-36-E, Lea County, New Mexico, which was completed April 10, 1956, as a gas-oil dual well. This well is in the Eumont Gas Pool and Monument Oil Pool. The applicant proposes to use this well as the unit well.
- (4) Gulf Oil Corporation and Amerada Petroleum Corporation have agreed to communitize their respective leases to form the 160-acre unit covered by this application, and the Land Commissioner will be advised as to such an agreement.

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State

Arcy 2

Not yet split

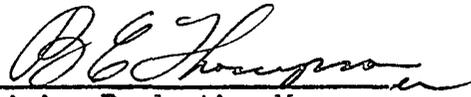
April 25, 1956

- (5) 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:
- (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) By copy of this letter of application, all operators owning interest in the section in which the proposed unit is located and all operators within 1,500 feet of the proposed unit well are notified by registered mail of the intent of Gulf Oil Corporation and Amerada Petroleum Corporation to form the proposed non-standard gas proration unit. (See attached affidavit.)
- (6) The approval of this application for a 160-acre non-standard gas proration unit will, in the opinion of the applicant, prevent waste, protect correlative rights and serve the best interest of conservation.

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

Amerada Petroleum Corporation
Attn: Mr. R. S. Christie
Box 2040
Tulsa, Oklahoma

El Paso Natural Gas Company
Box 1384
Jal, New Mexico

(Continued on next page)

cc: Registered Mail - Return Receipt Requested: (Continued)

Shell Oil Company
Box 1957
Hobbs, New Mexico

Superior Oil Company
Box 510
Midland, Texas

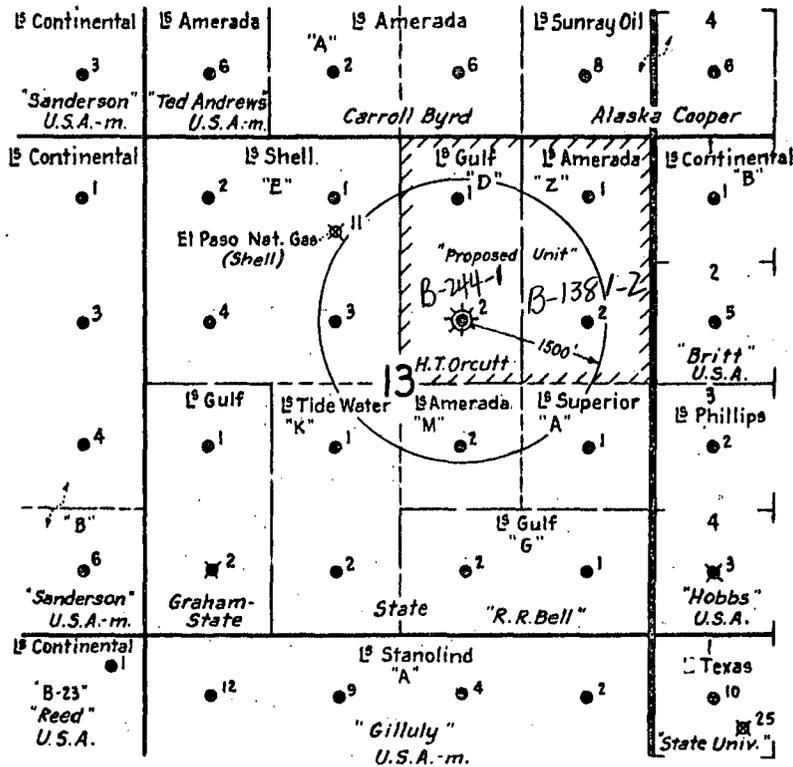
Tidewater Associated Oil Company
Attn: J. B. Holloway
Box 1404
Houston, Texas

cc: Oil Conservation Commission
P. O. Box 2045
Hobbs, New Mexico

Land Commissioner E. S. Walker
P. O. Box 871
Santa Fe, New Mexico

R 36 E

T
20
S



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

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

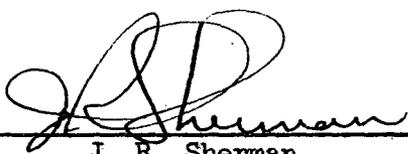
Gulf - H. T. Orcutt Lease

Amerada - State "Z" Lease

STATE OF TEXAS |

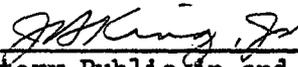
COUNTY OF TARRANT |

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 April 25, 1956, are true and correct and that copies of such Application were duly deposited on April 27th, 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 27th day of April, 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

GULF OIL CORPORATION

P. O. DRAWER 669 • ROSWELL, NEW MEXICO

MAIN OFFICE OCC

1956 AUG 10 PM 1:12

F. E. CURTIS, JR.
ZONE LANDMAN

August 9, 1956

FORT WORTH
PRODUCTION DIVISION

H. T. Orcutt (NCT-D)
Eumont Gas Unit No. 1 -
NE/4 Section 13-20S-36E,
Lea County, New Mexico.
Administrative Order NSP-267

Oil Conservation Commission
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:

We enclose herewith, for your information and file, a photostatic copy of the gas pooling agreement between Gulf Oil Corporation and Amerada Petroleum Corporation, covering the above described tract, approved by the Commissioner of Public Lands August 7, 1956.

It is requested that Gulf's H. T. Orcutt "D" Well No. 2, located 1980 feet from the north and east lines of Section 13-20S-36E, be placed on production in accordance with Administrative Order NSP-267.

Very truly yours,

F. E. CURTIS, JR.

SHC:dm
Enc.

RECEIVED
STATE LANDS
SANTA FE, N.M.
1955 AUG 10 10 12 AM

GAS POOLING AGREEMENT

H. T. ORCUTT (NCT-D) EUMONT GAS UNIT NO. 1

THIS AGREEMENT made and entered into the ^{11th} day of ^{July}, 1956, by and between GULF OIL CORPORATION, hereinafter called "Gulf", and AMERADA PETROLEUM CORPORATION, hereinafter called "Amerada",

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, as Lessee, covering the W/2 of the NE/4, Section 13, Township 20-South, Range 36-East, N.M.P.M., Lea County, New Mexico, among other lands; and

WHEREAS, Amerada is the owner and holder of State of New Mexico Oil and Gas Lease No. B-1381, dated December 2, 1932, from the State of New Mexico, as Lessor, to C. W. Perryman, as Lessee, covering E/2 of the NE/4, Section 13, Township 20-South, Range 36-East, N.M.P.M., Lea County, New Mexico, among other lands; and

WHEREAS, it is the desire of Gulf and Amerada that this Agreement cover the NE/4, Section 13, 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 being hereinafter referred to as the "Pooled Proration Unit", and which shall be known as the "H. T. Orcutt (NCT-D) Eumont Gas Unit No. 1, 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 unit, but the lessee shall not be released from the obligation to protect said unit from drainage by any gas well or wells which may be drilled offsetting the said unit. 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 lands within and comprising said pooled proration unit, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.

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 hereinabove described 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 the unit allowable established by the New Mexico Oil Conservation Commission first becomes effective and shall remain in force and effect for a period of one (1) 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. It is further provided that after the expiration of said one-year period should the unit well or wells be reclassified by the New Mexico Oil Conservation Commission, or should the pooled proration unit cease to produce gas in paying quantities from any cause, this Agreement shall not terminate, if within six (6) months after the date of any such reclassification or cessation of such production, Operator shall commence operations for the purpose of restoring gas production from the unit, in which event this Agreement shall remain in full force and effect during the period such operations are being diligently prosecuted and so long thereafter as dry gas, with or without associated liquid hydrocarbons, is produced from said unit in paying quantities.

IN WITNESS WHEREOF, this instrument is executed in duplicate on the day and year herein first above written.

GULF OIL CORPORATION

By H. B. By
Vice-President

ATTEST:
By [Signature]
Assistant Secretary

H. M. CRAIG

Law	<i>Law</i>
Comptr.	
Exp.	<i>Exp.</i>
Prod.	

AMERADA PETROLEUM CORPORATION

By [Signature]
President

ATTEST:
By [Signature]
Assistant Secretary

APPROVED
A. P. C.
<i>[Signature]</i>
<i>[Signature]</i>
<i>[Signature]</i>

STATE OF TEXAS
COUNTY OF TARRANT

SS

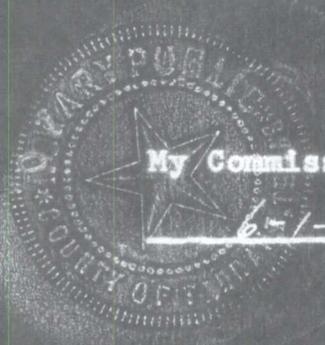
The foregoing instrument was acknowledged before me
this 11th day of July, 1956, by H. M. Loyer
High President of GULF OIL CORPORATION, a
Pennsylvania corporation, on behalf of said corporation.

M. B. Chippeaux
Notary Public

M. B. CHIPPEAUX

My Commission Expires:

6-1-57



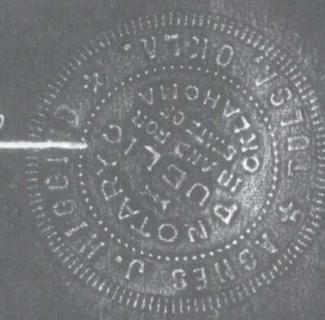
STATE OF Oklahoma
COUNTY OF Tulsa

SS

The foregoing instrument was acknowledged before me
this 30th day of July, 1956, by E. H. McCollough
President of AMERADA PETROLEUM CORPORATION,
a Delaware corporation, on behalf of said
corporation.

James D. Higgins
Notary Public

My Commission Expires:
February 26, 1957



CERTIFICATE OF APPROVAL

BY COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

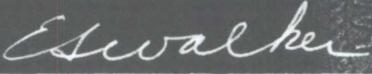
GULF'S H. T. ORCUTT "D" NO. 2 COMMUNITIZATION

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, the attached Agreement for the development and operation of acreage which is described within the attached Agreement, dated July 11, 1956, 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 proposed agreement the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the proposed area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the state, with respect to state lands.

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 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 7th day of August, 19 56.



Commissioner of Public Lands
of the State of New Mexico

