

Case No.

1486

Application, Transcript,  
Small Exhibits, Etc.

CASE 1486: Gulf Oil Corp. application for  
320-acre NS gas proration unit, Eumont  
Gas Pool (J. F. Janda "D" Well #1)



PETROLEUM AND ITS PRODUCTS

# GULF OIL CORPORATION

P. O. DRAWER 1290 FORT WORTH 1, TEXAS

E. HOSFORD  
DIVISION PRODUCTION COORDINATOR

June 16, 1958

FORT WORTH  
PRODUCTION DIVISION

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

Re: Application for 320-acre Eumont Non-Standard Gas Pro-  
ration Unit to be Assigned to Gulf's J. F. Janda "D"  
Well No. 1

Gentlemen:

Gulf Oil Corporation respectfully submits application for a 320-  
acre non-standard gas proration unit consisting of Lots 13, 14, and the  
SW/4 of Section 2, and the N/2 of the NW/4 of Section 11, all in T-21-S,  
R-36-E, Lea County, New Mexico. It is requested that the Commission set  
this matter for Examiner Hearing at an early date.

The following facts are offered in support of this application:

- (1) The above described 320 acres consists of Gulf Oil Corporation's 160-acre J. F. Janda "D" Lease, Gulf's 80-acre R. R. Bell "E" Lease, and Cities Service Oil Company's 80-acre State "G" Lease, as shown on the attached plat.
- (2) By Administrative Order NSP-53, dated January 5, 1955, Gulf Oil Corporation was authorized to operate its J. F. Janda "D" Lease comprising Lots 13 and 14 and the N/2 of the SW/4 of Section 2, T-21-S, R-36-E, as a 160-acre non-standard gas proration unit assigned to J. F. Janda "D" Well No. 1.
- (3) As a result of gas pooling and operating agreements between Gulf and Cities Service, the NMOCC by Administrative Order NSP-201, dated November 9, 1955, authorized a 240-acre non-standard gas proration unit consisting of Gulf's 160-acre Janda "D" and the Cities Service 80-acre State "G" Leases, with such unit being ascribed to Gulf's J. F. Janda "D" Well No. 1.
- (4) The proposed unit well, located 1980 feet from the south line and 660 feet from the west line of said

June 16, 1958

Section 2, was recompleted as a single zone gas well in the Eumont Pool on October 3, 1954, at a plugged back depth of 3645 feet. This well is producing through casing perforations from 3435 feet to 3555 feet.

- (5) Subject to the approval of this application, Gulf and Cities Service have amended the original Communitization and Operating Agreements to include Gulf's 80-acre R. R. Bell "E" Lease as an addition to the originally approved 240-acre unit. Gulf Oil Corporation is requesting that the above described acreage be established as a non-standard 320-acre gas proration unit in exception to NMOCC Order R-520.
- (6) By copy of this letter of application, all operators within 1500 feet of the proposed unit well are notified of the intent of Gulf Oil Corporation to form the proposed non-standard gas proration unit.

Respectfully submitted,

GULF OIL CORPORATION

By: E. Haysford

Division Production Coordinator *M*

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

Atlantic Refining Company  
P. O. Box 871  
Midland, Texas

Cities Service Oil Company  
P. O. Box 97  
Hobbs, New Mexico

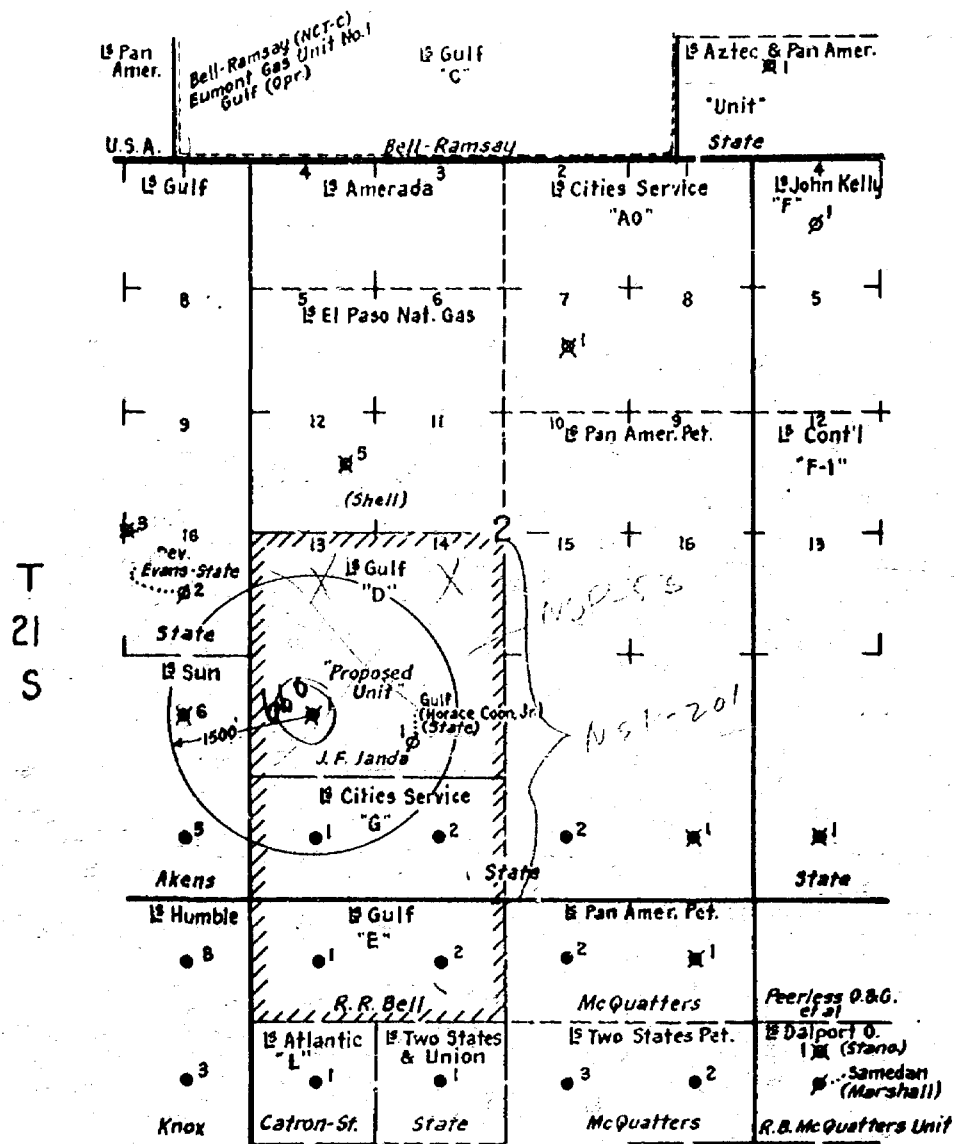
Humble Oil and Refining Company  
P. O. Box 1600  
Midland, Texas

Pan American Petroleum Corporation  
P. O. Box 899  
Roswell, New Mexico

Shell Oil Company  
P. O. Box 1957  
Hobbs, New Mexico

Sun Oil Company  
P. O. Box 2792  
Odessa, Texas

Two States Oil Company  
528 Wilson Building  
Dallas, Texas



R 36 E

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

Proposed 320-Acre Non-Standard  
Eumont Gas Unit Assigned to  
Gulf's J. F. Janda "D"  
Well No. 1

ILLEGIBLE

BEFORE THE  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

IN THE MATTER OF:

CASE NO. 1486

TRANSCRIPT OF HEARING

DEARNLEY - MEIER & ASSOCIATES  
GENERAL LAW REPORTERS  
ALBUQUERQUE NEW MEXICO  
Phone CHapel 3-6691

July 24, 1958

BEFORE THE  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO  
JULY 24, 1958

IN THE MATTER OF:

CASE NO. 1486 Application of Gulf Oil Corporation for:  
a non-standard gas proration unit. Ap- :  
plicant, in the above-styled cause, :  
seeks the establishment of a 320-acre :  
non-standard gas proration unit in the :  
Eumont Gas Pool consisting of Lots 13 :  
and 14 and the SW/4 of Section 2, and :  
the N/2 NW/4 of Section 11, all in :  
Township 21 South. Range 36 East, Lea :  
County, New Mexico, said unit to be :  
dedicated to its J.F.Janda "D" Well No.:  
1, 1980 feet from the South line and :  
660 feet from the West line of said :  
Section 2. :

BEFORE:

Elvis A. Utz, 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. UTZ: The next case on the docket is Case No. 1486.

MR. PAYNE: Application of Gulf Oil Corporation for a non-standard gas proration unit.

MR. KASTLER: Bill Kastler, appearing for Gulf Oil Corporation. If the Examiner please, we have no geological testimony in this particular case for the reason that this area proposed is surrounded by authorized gas proration units. Our only witness, therefore, will be Mr. J. D. Walker from Fort Worth, Texas.

J. D. WALKER,

called as a witness, having been previously duly sworn on oath,  
testified as follows:

DIRECT EXAMINATION

BY MR. KASTLER:

Q State your name and position.

A Don Walker. Division proration engineer with Gulf Oil Corporation, Fort Worth.

Q Are you the same Don Walker who was sworn and testified in the previous case?

A Yes, sir.

Q Are you familiar with Gulf's application in Case No. 1486?

A Yes, sir.

Q Have you prepared a location plat for introduction into evidence in this case?

A Yes, sir, sure have.

Q Is this labeled --

A Exhibit No. 1.

Q -- Exhibit No. 1 in Case No. 1486?

A It will be.

Q Referring to Exhibit No. 1, will you please state what it is, what Gulf is seeking in this application?

A In this Case 1486, Gulf Oil Corporation is seeking permission to expand a presently approved 240-acre Eumont gas proration unit across section lines to include an additional 80 acres in the Gulf lease to make it a 320-acre non-standard unit in the Eumont Pool.



Q What is the standard proration unit in this pool?

A The standard proration unit in the Eumont is 640-acres. However, this well is properly located for this 320-acre unit, and a hearing wouldn't be required except we have to cross section lines.

Q Will you give the location of the proposed unit well?

A Yes, it is Gulf J. F. Janda "D" Well No. 1, which is located 1980 feet from the South line and 660 feet from the West line of Section 2, Township 21 South, Range 36 East in Lea County.

Q Please review the completion data at this time.

A This well is an old Eunice oil well drilled and completed on August 13, 1957, at a total depth of 3835 feet. The well had an initial oil potential of 124 barrels. Five and a half inch casing was set and cemented at 3680 feet. On October 3rd, 1954 this well was plugged back and recompleted as a single zone gas well in the Eumont Gas Pool at a plug-back depth of 3645 feet. It is now producing from within the vertical limits of the Eumont Pool through casing perforations at intervals from 3435 to 3555 feet.

Q Will you describe the history of the gas proration unit since completion of this well October 3, in 1954 as a Eumont Gas Well?

A Our original approval for an administrative non-standard unit was on January the 5th, 1955, when the Commission issued administrative Order NSP 53, which at that time gave us a 150-acre unit consisting of lots 13 and 14 in the N/2 of the SW/4 of Section 2, and

in Township 21 South and Range 36 East. That was Gulf's J. F. Janda "D" 160-acre lease as a result of a gas pooling agreement between Cities Service and Gulf, Cities Service owning the S/2 of the SW/4 of that same section, and by application, the Commission approved our expansion of the 160-acre unit to 240 by NSP 201 dated November the 9th, 1955. Gulf and Cities Service have now amended the original communitization and operating agreement to include Gulf's 80-acre R. R. Bell "E" lease which is the N/2 of the NW/4 of Section 11, in Township 21 South, Range 36 East. We were requesting approval of the described acreage, that it be established as a non-standard 320-acre unit in exception to Commission's Order R-520.

Q Has Gulf and Cities Service agreed formally to the amendment of the original unit in order to bring in the additional proposed acreage?

A Yes, sir, they have. And I believe we have a copy -- a photostatic copy of that amendment agreement.

Q I show you an amendment to the gas pooling agreement which is stamped Gulf Oil Corporation's Exhibit No. 2 in Case 1486. Can you identify this as a photostatic copy of the signed agreement between Gulf and Cities Service to enlarge this unit area?

A It is, sir.

MR. KASTLER: May this be marked, Mr. Utz, please, -- identified as Gulf's Exhibit No. 2 in Case 1486?

What is the character and disposition of the gas in this unit?

A This gas well is connected to the Permian Basin pipeline

system and it is a sweet gas. It is considered a dry gas, and there is no fluid production from the well.

Q Is there any Eumont oil production from within the boundary of this proposed unit?

A No, sir.

Q Is the royalty interest common to all acreage within this unit?

A Yes, sir. The State of New Mexico owns the royalty under the entire 320 acres.

Q In your opinion, does the Janda "D" No. 1 Well have the ability to produce at the increased allowable rate?

A Yes, sir.

Q On what do you base this conclusion?

A Janda "D" No. 1 -- I believe I have figures here for November, '57, the well produced in excess of 50,000 MCF for the month, which is an average rate of 1,685 MCF per day. During 1956, the average allowable for a 320 Eumont unit was 756 MCF per day, and for 1957, the allowable for any one month was 1,428 MCF per day. J. F. Janda "D" No. 1, in my opinion, is capable of producing the 320-acre unit allowable.

Q And do you also believe that 320 acres in this proposed unit can be reasonably assumed to be productive of Eumont gas?

A Yes, sir. There is a -- the Commission has approved the Eumont Gas units completely surrounding in all directions from this proposed unit.

Q Was Exhibit No. 1 prepared by you or under your supervision?

A Yes, sir.

Q And you have testified and identified Exhibit No. 2 as being a photostatic copy of a signed agreement --

A That's right.

Q -- between Gulf Oil Corporation and Cities Service Oil Company?

A Yes, sir.

MR. KASTLER: I now move to admit Exhibits No. 1 and 2 into evidence in this matter.

MR. UTZ: Without objection, they will be so received.

MR. KASTLER: Those are the only questions I have of the witness.

MR. UTZ: Are there any questions of the witness? Mr. Payne.

CROSS EXAMINATION

BY MR. PAYNE:

Q Mr. Walker, is the NW/4 of Section 2 a non-standard unit in the Eumont?

A The NW/4?

Q Yes, sir.

A I believe that it is. I don't believe lots 3 and 4, I am not real sure about that. Let me look here a second. Yes, sir, that's a 235-acre unit, consisting of lots 3, 4, 5, 6, 11 and 12, and assigned to Well No. 5 there, which is in lot 12.

Q Now, the acreage directly to the south of your proposed

unit --

A The acreage directly to the south is unassigned. We have made extensive attempts to work out something between Atlantic and Two States to make a 160-acre unit in that NW/4 of Section 11, but have been unable to do so. Directly east is an 80-acre unit assigned to Pan American's Well No. 1, and consists of the north -- the N/2 of the NE/4 of Section 11, and Two States has a 120-acre unit consisting of the S/2 of the NW/4 and the NW/4 of the SE/4 of that same section. And I believe Continental has a 160-acre unit directly south of our R. R. Bell, which consists of the SW/4 of the Section, Section 11. On the west, Humble has a 320-acre unit assigned to their Well No. 1, which apparently is approximately 1980 feet from the East line and almost the same distance from the South line. I can't tell. It seems like it might be a little less than 1980 from the South line.

Q Do you know of any other non-standard units in the Eumont that cross sections lines?

A Gulf has some, and I am sure other people do too, but I haven't tabulated that.

Q You can find most anything in that pool?

A Yes, sir.

MR. PAYNE: That's all.

QUESTIONS BY MR. UTZ:

Q Mr. Walker, in the event you had been able to communitize the northeast and the northwest of Section 11, would you have

drilled a well in that quarter, or would you dually complete it?

A I am not familiar with the actual negotiations that took place. I don't know whether it was that the companies were unable to agree on a well, or whether they all had five and a half inch casing, or whether they didn't feel that they wanted to lose a Monument well and try to dual. I don't know exactly what happened that they were unable to reach some agreement on that. Apparently, they were unwilling to drill another well just for this Eumont gas.

Q At any rate, Atlantic and Two States are fully aware of the consequences as a result of this unit, are they not?

A Well, they certainly were furnished copies of our application, and as I say, I don't know about the verbal agreement to disagree at that time, but they are aware, yes, sir.

MR. UTZ: Are there any other questions of the witness?  
Mr. Kastler.

MR. KASTLER: I would like to ask a question.

REDIRECT EXAMINATION

BY MR. KASTLER:

Q Mr. Walker, is it possible that if the application were granted now, perhaps some differences or difficulties with Atlantic might be ironed out so that this unit could then be enlarged to a 400-acre unit all being drained by this same well? Do you see any possibility there --

A Well, I --

Q -- not knowing what the differences are?

A I don't believe that the well would be capable of taking in that extra 80-acres. Possibly if Atlantic, Two States and Gulf got together, we could certainly break that off and go for 160; I think that probably would be more in order.

MR. KASTLER: Thank you.

MR. UTZ: If there are no further questions of the witness, he may be excused.

(Witness excused)

MR. UTZ: Is there any other statement to be made in this case?

MR. KASTLER: If the Examiner please, I have an original and copy of the executed amendment to the gas pooling agreement, which on Page 4 has a blank for the approval by the Oil Conservation Commission. I believe that this was drafted by Cities Service and they requested that this approval be endorsed on these two copies in the event this application is successful and that these copies be returned to us. I wonder if I might have your permission to submit these at this time for that purpose?

MR. UTZ: You certainly may.

MR. KASTLER: Thank you.

C E R T I F I C A T E

STATE OF NEW MEXICO )  
 : ss  
COUNTY OF BERNALILLO )

I. J. A. TRUJILLO, 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 4<sup>th</sup> day of August, 1958, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

Joseph C. Trujillo  
Notary Public

My Commission Expires:

October 5, 1960.

I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the case of John W. Case No. 1786  
heard by me on July 27, 1958.  
John W. Case, Examiner  
New Mexico Oil Conservation Commission



**OIL CONSERVATION COMMISSION**  
P. O. BOX 871  
SANTA FE, NEW MEXICO

August 7, 1958

C  
O  
P  
Y

Mr. Bill Kastler  
Gulf Oil Corporation  
P.O. Box 669  
Roswell, New Mexico

Dear Mr. Kastler:

We enclose two copies of Orders R-1227, R-1229, and R-1230 issued August 6, 1958, by the Oil Conservation Commission in Cases 1486, 1484, and 1485, respectively, which were heard on July 24th at Santa Fe before an examiner.

Very truly yours,

A. L. Porter, Jr.  
Secretary - Director

bp  
Encls.

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:

CASE NO. 1486  
Order No. R-1227

APPLICATION OF GULF OIL CORPORATION  
FOR THE ESTABLISHMENT OF A 320-ACRE  
NON-STANDARD GAS PRORATION UNIT IN  
THE EUMONT GAS POOL, LEA COUNTY,  
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on July 24, 1958, at Santa Fe, New Mexico, before Elvis A. Utz, 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 Rules and Regulations.

NOW, on this 6<sup>th</sup> day of August, 1958, the Commission, a quorum being present, having considered the application, the evidence adduced and the recommendations of the Examiner, Elvis A. Utz, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That applicant, Gulf Oil Corporation, is the operator of the following-described acreage: Lots 13 and 14 and the SW/4 of Section 2 and the N/2 NW/4 of Section 11, all in Township 21 South, Range 36 East, NMPM, Lea County, New Mexico.

(3) That applicant is the operator of the J. F. Janda "D" Well No. 1, located 1980 feet from the South line and 680 feet from the West line of said Section 2.

(4) That by Administrative Order NSP-53 applicant was granted a 160-acre non-standard gas proration unit in the Eumont Gas Pool for the above-described J. F. Janda "D" Well No. 1, said unit consisting of Lots 13 and 14 and the N/2 SW/4 of said Section 2; that by Administrative Order NSP-201 applicant was granted a 240-acre non-standard gas proration unit in the Eumont Gas Pool for the said J. F. Janda "D" Well No. 1, said unit consisting of Lots 13 and 14 and the SW/4 of said Section 2.

Case No. 1486  
Order No. R-1227

(5) That the applicant seeks the establishment of a 320-acre non-standard gas proration unit in the Eumont Gas Pool, such unit to consist of Lots 13 and 14 and the SW/4 of said Section 2 and the N/2 NW/4 of said Section 11, and to be dedicated to the aforementioned J. F. Janda "D" Well No. 1.

(6) That approval of the subject application will not cause waste nor impair correlative rights.

(7) That the subject application should be granted.

IT IS THEREFORE ORDERED:

(1) That Administrative Orders NSP-53 and NSP-201 be and the same are hereby superseded.

(2) That the application of Gulf Oil Corporation for the establishment of a 320-acre non-standard gas proration unit in the Eumont Gas Pool, consisting of Lots 13 and 14 and the SW/4 of Section 2 and the N/2 NW/4 of Section 11, all in Township 21 South, Range 36 East, NMPM, Lea County, New Mexico, be and the same is hereby granted. Said unit is to be dedicated to the applicant's J. F. Janda "D" Well No. 1, located 1980 feet from the South line and 660 feet from the West line of said Section 2.

(3) That the said J. F. Janda "D" Well No. 1 be granted an allowable in the proportion that the acreage in said unit bears to the acreage in a standard proration unit for the Eumont Gas Pool, subject to the provisions of the Special Rules and Regulations for the Eumont Gas Pool as set forth in Order No. R-520.

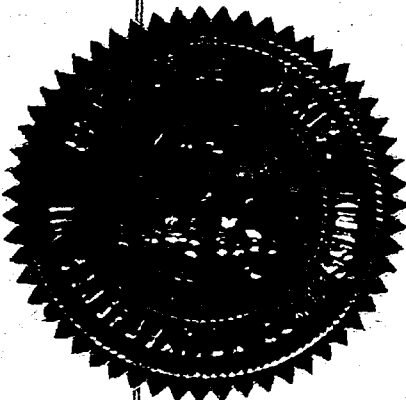
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

  
EDWIN L. MECHEM, Chairman

  
MURRAY E. MORGAN, Member

  
A. L. PORTER, Jr., Member & Secretary



OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

Date 7-25-56

CASE 1486 Hearing Date 7-29-56

My recommendations for an order in the above numbered cases are as follows:

1. That the application be granted as requested for a NSP consisting of lots 13 & 14, SW/4 sec 2, and the N/2 NW/4 sec. 11 all in 21S-36E, 320Ac.
2. The unit well is the Gulf - J.F. Janda "D" #1, 1950/S, 660/W, sec. 2 - 20S-37E. Eumont Gas Pool.

3. Administrative order NSP-53 was for 160 Ac.,  
" " - 201 " " 240 Ac.

Both of these orders should be superseded by this order as they cover portions of the unit approved by this order.

*W. A. V.*

Note! Sign the Pooling agreement in this file and return to Gulf with the order.  
*ECA*

\_\_\_\_\_  
Staff Member

DOCKET: EXAMINER HEARING JULY 24, 1958

Oil Conservation Commission 9 a.m., Mabry Hall, State Capitol, Santa Fe, NM

The following cases will be heard before Elvis A. Utz, Examiner:

CASES 1195 & 1433: Application of Graridge Corporation for an order amending Order No. R-972. Applicant, in the above-styled cause, seeks an order amending Order No. R-972 to approve a development pattern for the entire water flood project operated by the applicant in the Caprock-Queen Pool, Chaves and Lea Counties, New Mexico, and to permit administrative approval for the conversion of water injection wells in said project, which is within the limits of the North Caprock Queen Unit No. One authorized by Commission Order No. R-1145.

CASE 1482: Application of Aztec Oil and Gas Company for an unorthodox gas well location. Applicant, in the above-styled cause, seeks an order authorizing an unorthodox gas well location in the Blanco Mesaverde Gas Pool for its Culpepper-Martin No. 2 Well, 990 feet from the South and East lines of Section 30, Township 32 North, Range 12 West, San Juan County, New Mexico.

CASE 1483: Application of Atlantic Refining Company for a non-standard oil proration unit. Applicant, in the above-styled cause, seeks an order establishing a 53.98-acre non-standard oil proration unit in the Horseshoe Gallup Pool consisting of the SE/4 SE/4 of Section 32, and that portion of the SW/4 SW/4 of Section 33 which lies within the Navajo Reservation (14.53 acres), all in Township 31 North, Range 16 West, San Juan County, New Mexico.

CASE 1484: Application of Gulf Oil Corporation for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks the establishment of a 160-acre non-standard gas proration unit in the Tubb Gas Pool consisting of the NE/4 SE/4, NE/4 NE/4, and the S/2 NE/4 of Section 31, Township 22 South, Range 38 East, Lea County, New Mexico, said unit to be dedicated to its Scarborough Estate Well No. 2, 1880 feet from the North line and 660 feet from the East line of said Section 31.

CASE 1485: Application of Gulf Oil Corporation for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks the establishment of a 160-acre non-standard gas proration unit in the Blinebry Gas Pool consisting of the NE/4 SE/4, NE/4 NE/4, and the S/2 NE/4 of Section 31, Township 22 South, Range 38 East, Lea County, New Mexico, said unit to be dedicated to its Scarborough Estate No. 3 Well, 1980 feet from the South line and 660 feet from the East line of said Section 31.

CASE 1486: Application of Gulf Oil Corporation for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks the establishment of a 320-acre non-standard gas proration unit in the Eumont Gas Pool consisting of Lots 13 and 14 and the SW/4 of Section 2, and the N/2 NW/4 of Section 11, all in Township 21 South, Range 36 East, Lea County, New Mexico, said unit to be dedicated to its J. F. Janda "D" Well No. 1, 1980 feet from the South line and 660 feet from the West line of said Section 2.

CASE 1487: Application of Ohio Oil Company for two non-standard gas proration units in the Tubb Gas Pool and two non-standard gas proration units in the Blinebry Gas Pool. Applicant, in the above-styled cause, seeks an order establishing 160-acre non-standard gas proration units in both the Blinebry Gas Pool and the Tubb Gas Pool, each consisting of the S/2 NE/4, NW/4 SE/4, and the NE/4 SW/4 of Section 24, Township 22 South, Range 37 East, Lea County, New Mexico, said units to be dedicated to its dually completed J. L. Muncy Well No. 2 in the NE/4 SW/4 of said Section 24. Applicant further seeks the establishment of 160-acre non-standard gas proration units in both the Blinebry Gas Pool and Tubb Gas Pool, each consisting of the E/2 SE/4, SW/4 SE/4, and the SE/4 SW/4 of said Section 24, said units to be dedicated to its J. L. Muncy Well No. 3 in the SE/4 SW/4 of said Section 24 and Well No. 1 in the SE/4 SE/4 of said Section 24 respectively.

CASE 1488: Application of Western Natural Gas Company for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Wimberly No. 5 Well, 990 feet from the North line and 2310 feet from the West line of Section 24, Township 25 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Justis-Ellenburger Pool and oil from an undesignated Montoya pool through parallel strings of tubing.

CONTINUED CASE

This case will be heard before Daniel S. Nutter, Examiner:

CASE 1478: In the matter of the application of R. Olsen Oil Company for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks an order establishing a 160-acre non-standard gas proration unit in the Tubb Gas Pool consisting of the N/2 NW/4, SW/4 NW/4, and NW/4 SW/4 of Section 25, Township 22 South, Range 37 East, Lea County, New Mexico.

ir/



BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
<i>Gulf</i> EXHIBIT NO. <u>2</u>
CASE NO. <u>1486</u>

AMENDMENT TO GAS POOLING AGREEMENT

STATE OF NEW MEXICO  
COUNTY OF LEA

KNOW ALL MEN BY THESE PRESENTS:

THAT WHEREAS, Gulf Oil Corporation, hereinafter referred to as "Gulf", and Cities Service Oil Company, hereinafter referred to as "Cities Service", on February 21, 1956 entered into a Gas Pooling Agreement whereby all leasehold and royalty interests in the following described lands were pooled as to all dry gas and associated liquid hydrocarbons within the vertical limits of the Eumont Gas Pool:

Lots 13 and 14 and the SW/4 of Section 2,  
Township 21 South, Range 36 East, N.M.P.M.,  
Lea County, New Mexico;

Reference to said Gas Pooling Agreement is here made for all purposes; and

WHEREAS, it is the desire of Gulf and Cities Service that the aforesaid Gas Pooling Agreement be amended to include a portion of Gulf's R. R. Bell-State Lease No. 15,711, State of New Mexico Oil and Gas Lease No. B-230, dated September 10, 1931, insofar as it covers the following described lands:

The N/2 NW/4 of Section 11, Township 21  
South, Range 36 East, N.M.P.M., Lea  
County, New Mexico;

the same also being limited to dry gas and associated liquid hydrocarbons within the vertical limits of the Eumont Gas Pool;

NOW, THEREFORE, in consideration of the premises said Gas Pooling Agreement is hereby amended so that all leasehold and royalty interests in dry gas and associated liquid hydrocarbons within the vertical limits of the Eumont Gas Pool, as defined in Order No. R-520 of the New Mexico Oil Conservation Commission, are pooled insofar as they cover the following described lands:

**ILLEGIBLE**



Lots 13 and 14 and the SW/4 of Section 2,  
and the N/2 NW/4 of Section 11, Township  
21 South, Range 36 East, N.M.P.M., Lea  
County, New Mexico.

This Amendment to Gas Pooling Agreement shall become effective as of the date an increased gas allowable is first made effective to cover the expanded pooled proration unit, meaning thereby that in the event the increased allowable is made effective retroactively then and in such event this Amendment shall become likewise retroactively effective, 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 expanded pooled proration unit in paying quantities. However, this instrument shall terminate and be of no further force and effect in the event said increased gas allowable is not obtained within one year from the date hereof.

IN WITNESS WHEREOF, this Amendment is executed this 24<sup>th</sup>  
day of April, 1958.

GULF OIL CORPORATION

ATTORNEY  
[Signature]  
A. PRICE

By [Signature]  
Attorney in fact

Law	<u>WOK</u>
County	
Exp	<u>1/1</u>

CITIES SERVICE OIL COMPANY

ATTORNEY  
[Signature]  
[Illegible]

By [Signature]

**ILLEGIBLE**

STATE OF NEW MEXICO |

COUNTY OF CHAVES |

The foregoing instrument was acknowledged before me this  
8 day of May, 1958, by W. A. Shellshear,  
Attorney-in-Fact of GULF OIL CORPORATION, a Pennsylvania corpora-  
tion, on behalf of said corporation.



L. B. Parker  
Notary Public

COUNTY OF CHAVES }  
WASHINGTON COUNTY }

On this 27th day of April, 1957, before me personally appeared  
W. A. Shellshear to me known to be the person who executed the foregoing  
instrument as Attorney-in-Fact in behalf of Gulf Oil Corporation, and  
he has acknowledged the same as the free act and deed of said Gulf Oil  
Corporation.



L. B. Parker  
Notary Public

My Commission Expires:  
\_\_\_\_\_

ILLEGIBLE



*W. M. Morgan*  
Commissioner of Public Lands

Date: Mar. 21, 1908

For Conservation Commission

Date: \_\_\_\_\_

**ILLEGIBLE**