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#13116

MAIN OFFICE

RETROLEUM AND ITS PRODUCTS

GULF OIL CORPORATION

1956 APR 13 AM 6
B. E. THOMPSON
DIVISION PRODUCTION MANAGER

P. O. DRAWER 1290 FORT WORTH 1, TEXAS

April 6, 1956

FORT WORTH
PRODUCTION DIVISION

Re: Application for 160-Acre Gulf-Amerada Non-Standard Gas Proration Unit, Eumont Gas Pool, Comprising NW/4 of Section 29, T-19-S, R-37-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 NW/4 of Section 29, T-19-S, R-37-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 Fred Luthy Lease located in the W/2 of NW/4 of Section 29, T-19-S, R-37-E, Lea County, New Mexico. Amerada Petroleum Corporation is owner and operator of an oil and gas lease known as its State "K" Lease located in the E/2 of NW/4 of Section 29, T-19-S, R-37-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 Fred Luthy Well No. 2 located 660 feet from the West line and 660 feet from the North line of Section 29, T-19-S, R-37-E, Lea County, New Mexico, which was completed March 28, 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. The Land Commissioner has been advised as to such an agreement.

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Queen Gas

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P C-274

April 6, 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 B. E. Thompson
Division Production Manager

cc: Registered Mail - Return Receipt Requested:

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

Oil Well Drilling Company
706 Dallas National Bank Building
Dallas, Texas

(Continued on next page)

April 6, 1956

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

✓ Shell Oil Company
Box 1957
Hobbs, New Mexico

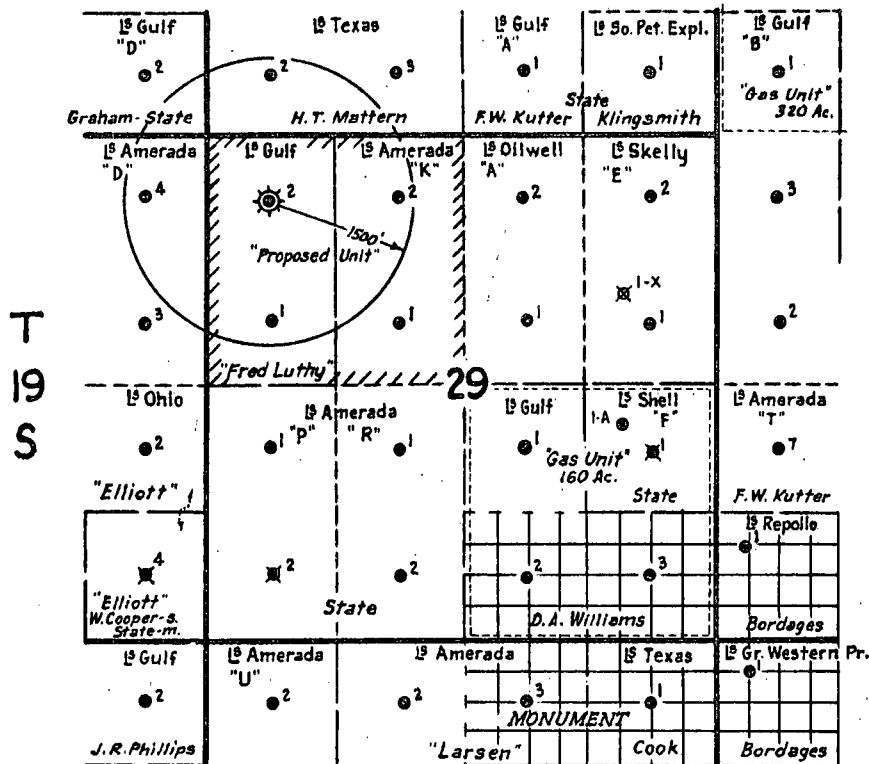
✓ Skelly Oil Company
P. O. Box 38
Hobbs, New Mexico

✓ The Texas Company
P. O. Box 1270
Midland, 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-37-E



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 - Fred Luthy Lease

Amerada - State "K" 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 6, 1956, are true and correct and that copies of such Application were duly deposited on April 11, 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 11th 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

GULF OIL CORPORATION
P. O. Box 669
MAIN OFFICE ⁸⁶⁶ ROSWELL, NEW MEXICO

1958 APR 2 AM 9:46
March 29, 1956

Fred Luthy Eumont Gas Unit 1,
NW/4 Section 29-19S-37E,
Lea County, New Mexico.
Portion of State Leases Nos.
B-3998 and A-4096.

Mr. E. S. Walker
Commissioner of Public Lands
State Land Office
Santa Fe, New Mexico

Dear Sir:

We enclose herewith, for your approval and filing, a gas pooling agreement which will communitize the production of gas from the Eumont Gas Pool in and underlying the NW/4 of Section 29 above. This acreage is comprised of State lands, and Amerada Petroleum Corporation and Gulf Oil Corporation, as owners of valid and existing state oil and gas leases thereon, have agreed to form a gas proration unit in accordance with the terms of said agreement. We also enclose herewith Mr. E. S. Crear's check No. 4090 in the amount of \$5.00, to cover filing fees.

To each copy of the enclosed instrument is attached a form of Certificate of Approval by Commissioner of Public Lands, State of New Mexico, of communitization agreement. If the communitization meets with your approval, please indicate by executing all copies of the certificate and return the original and one fully signed copy of the pooling agreement to this office for our records and for those of Amerada.

Very truly yours,



F. E. CURTIS, JR.

SHC:dm

cc: Mr. Randall Montgomery
1200 West Broadway
Hobbs, New Mexico

✓ Mr. A. L. Porter
P. O. Box 871
Santa Fe, New Mexico



MAIN OFFICE
1956 APR 27 AM 8:24
OCC

PETROLEUM AND ITS PRODUCTS

GULF OIL CORPORATION

P. O. DRAWER 669 • ROSWELL, NEW MEXICO

F. E. CURTIS, JR.
ZONE LANDMAN

April 27, 1956

FORT WORTH
PRODUCTION DIVISION

Fred Luthy Eumont Gas
Unit No. 1 - NW/4 of
Section 29-19S-37E,
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:

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 and approved by the Commissioner of Public Lands April 20, 1956.

Very truly yours,


F. E. CURTIS, JR.

SHC:dm
Enc.

RECEIVED
STATE LAND OFFICE
APR 2 11 48 AM '56
SANTA FE, N. M.

GAS POOLING AGREEMENT

THIS AGREEMENT made and entered into the 8th day of February, 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-3998 dated May 13, 1935, from the State of New Mexico as Lessor, to Gypsy Oil Company, as Lessee, covering the W $\frac{1}{2}$ NW $\frac{1}{4}$ of Section 29, Township 19 South, Range 37 East, N.M.P.M., Lea County, New Mexico; and

WHEREAS, Amerada is the owner and holder of State of New Mexico Oil and Gas Lease No. A-4096 dated April 21, 1931, covering, among other lands, the E $\frac{1}{2}$ NW $\frac{1}{4}$ of Section 29, Township 19 South, Range 37 East, N.M.P.M., Lea County, New Mexico; and

WHEREAS, it is the desire of Gulf and Amerada that this agreement cover the NW $\frac{1}{4}$ of Section 29, Township 19 South, Range 37 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

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 tract 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 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 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, the parties hereto have executed this agreement the day and year herein first above written.

Attest: [Signature]
Asst. Secretary

Attest: [Signature]
Assistant Secretary

GULF OIL CORPORATION

By [Signature]
Vice-President

AMERADA PETROLEUM CORPORATION

By [Signature]
President

STATE OF TEXAS)
COUNTY OF TARRANT) ss

The foregoing instrument was acknowledged before me
this 8 day of February, 1956 by H. M. Bayer,
Vice-President of GULF OIL CORPORATION, a Pennsylvania
corporation, on behalf of said corporation.



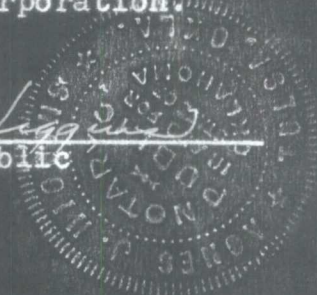
Eva Marie Cooper
Notary Public Eva Marie Cooper

STATE OF Oklahoma)
COUNTY OF Tulsa) ss

The foregoing instrument was acknowledged before me
this 13th day of March, 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
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 NW $\frac{1}{4}$ of Section 29, Township 19 South, Range 37 East, N.M.P.M. Lea County, New Mexico, dated February 8, 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 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 20th day of April, 1956.



Esuval he
Commissioner of Public Lands
of the State of New Mexico