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W/IN OFFICE
on 8/10/56



NSP-316
issue 8/10/56

1956 AUG 15 PM 1:28

CONTINENTAL OIL COMPANY

Roswell, New Mexico
August 13, 1956

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

Attention: Mr. A. L. Porter, Jr.

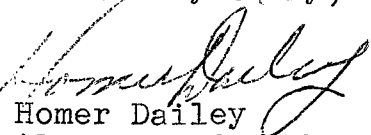
Gentlemen:

We are forwarding herewith our application for enlargement of the presently approved non-standard gas proration unit for our Stevens B-12 well No. 1 in the Jalmat gas pool.

We have also attached two affidavits of communitization and one copy of an agreement entered into between Western Natural Gas Company and Continental Oil Company whereby the proration unit now being formed is agreed to by both parties.

We have also attached waivers from each of the offset operators as required by Rule 5-A of order No. R-520. It is respectfully requested that immediate approval of the proposed unit be given.

Yours very truly,


Homer Dailey
Alternate for the
Division Superintendent

HD-BC
cc: Jason W. Kellahin

MAIN OFFICE OCC

1956 AUG 15 PM 1:28 CONTINENTAL OIL COMPANY

NSP-316

mini 8/10/56

New Mexico Oil Conservation Commission
Box 871
Santa Fe, New Mexico

Attention: Mr. A. L. Porter, Jr. Re: Continental Oil Company
Application for 160-
acre NSP unit for its
Stevens B-12 No. 1 in
Section 12, T-23S,
R-36E, Jalmat Gas
Pool, Lea County,
New Mexico

Gentlemen:

Continental Oil Company respectfully requests administrative approval under the provisions of Rule 5 (b) of the Special Rules and Regulations for the Jalmat Gas Pool of Order No. R-520 for an enlargement to 160 acres of the existing approved 80-acre non-standard gas proration unit for its Stevens B-12 No. 1 well located 660' FNL & 1650' FWL of Section 12, T-23S, R-36E, Lea County, New Mexico, in the Jalmat Gas Pool.

The unit is proposed to consist of the NW/4 of Section 12, T-23S, R-36E.

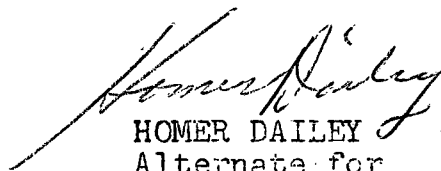
In support of this request we should like to point out that the proposed unit conforms with the requirements of said Rule 5 (b) in all respects as follows:

1. Said unit consists of contiguous quarter-quarter sections (and/or lots).
2. Said unit lies wholly within a single governmental section.
3. The entire proposed unit may be reasonably presumed to be productive of gas.
4. The length or width of said unit does not exceed 5,280 feet.
5. Waivers from all operators within the section and within 1500 feet of the well are attached.

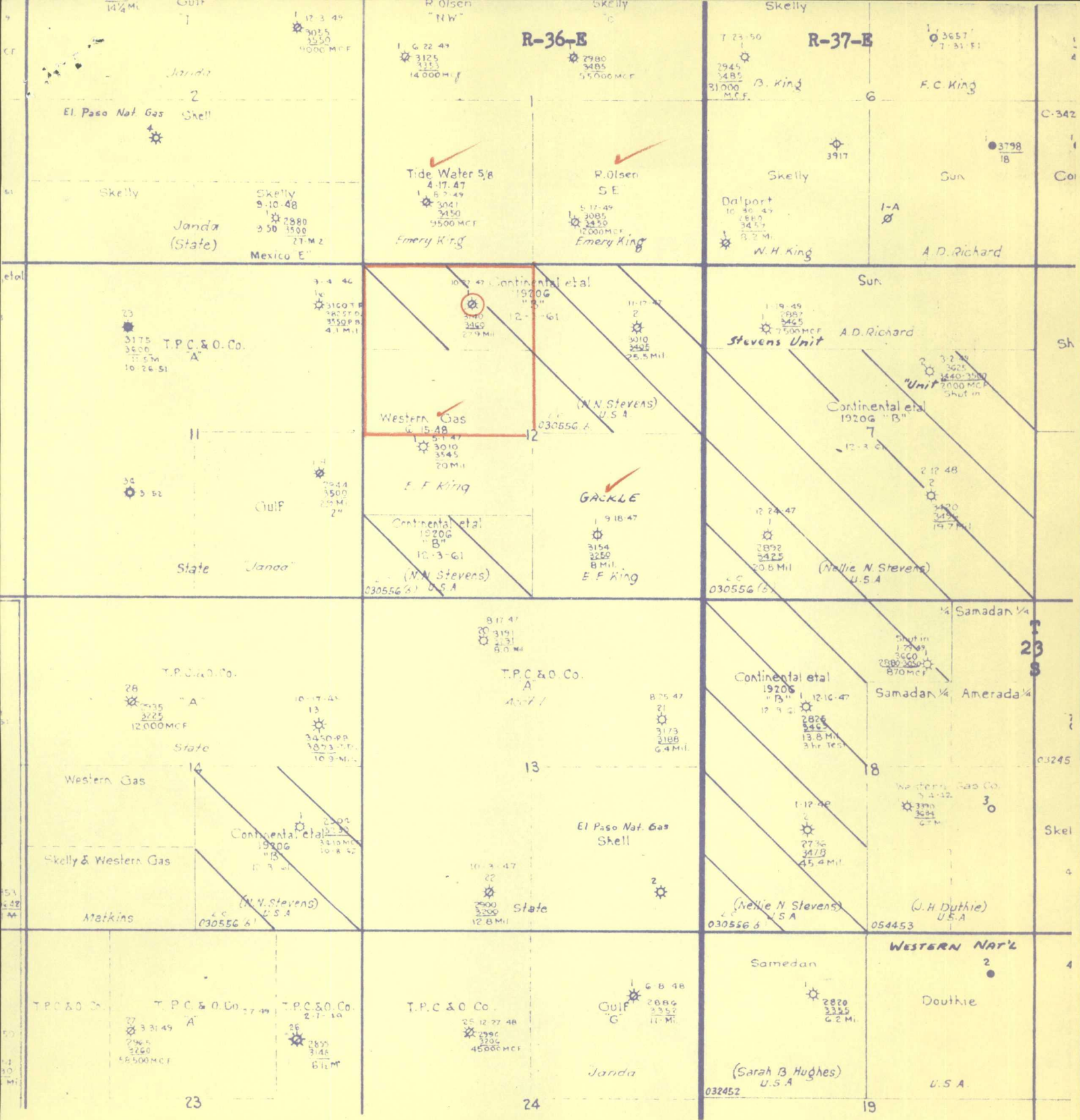
A plat is attached hereto showing to the best of our knowledge and belief the proposed unit, the location of the well and the offset ownership.

New Mexico Oil Conservation Commission
Page 2

In view of the facts set out herein it is respectfully requested that the Commission issue an order approving the non-standard gas proration unit for Continental Oil Company's Stevens B-12 No. 1 well as described above.

A handwritten signature in cursive script, appearing to read "Homer Dailey", is written over the typed name.

HOMER DAILEY
Alternate for
Division Superintendent



MAIN OFFICE OCC

1956 AUG 15 PM 1:28

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

Gentlemen:

We have been informed by Continental Oil Company of their intention to form a 160-acre non-standard gas proration unit consisting of the NW/4, Section 12, T-23S, R-36E, NMPM, Lea County, New Mexico, in the Jalmat Gas Pool. It is our understanding that said unit is to be allocated to their Stevens B-12 well No. 1 located 660 feet from the north line and 1650 feet from the west line of said Section 12.

You are respectfully advised that the undersigned offset operator hereby waives notice and hearing on the formation of the non-standard gas proration unit described above.

WESTERN NATURAL GAS COMPANY

date August 6, 1956

by

Paul C. Wright

MAIN OFFICE OCC

1956 AUG 15 PM 1:28

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

Gentlemen:

We have been informed by Continental Oil Company of their intention to form a 160-acre non-standard gas proration unit consisting of the NW/4, Section 12, T-23S, R-36E, NMPM, Lea County, New Mexico, in the Jalmat Gas Pool. It is our understanding that said unit is to be allocated to their Stevens B-12 well No. 1 located 660 feet from the north line and 1650 feet from the west line of said Section 12.

You are respectfully advised that the undersigned offset operator hereby waives notice and hearing on the formation of the non-standard gas proration unit described above.

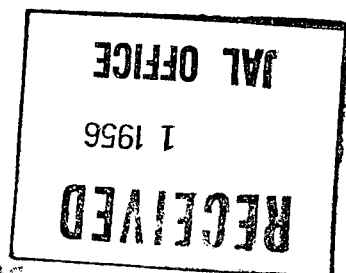
R. OLSEN OIL COMPANY

date

Aug 6 1956

by

Philip Randolph



MAIN OFFICE OCC

1956 AUG 15 PM 1:28

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

Gentlemen:

We have been informed by Continental Oil Company of their intention to form a 160-acre non-standard gas proration unit consisting of the NW/4, Section 12, T-23S, R-36E, NMPM, Lea County, New Mexico, in the Jalmat Gas Pool. It is our understanding that said unit is to be allocated to their Stevens B-12 well No. 1 located 660 feet from the north line and 1650 feet from the west line of said Section 12.

You are respectfully advised that the undersigned offset operator hereby waives notice and hearing on the formation of the non-standard gas proration unit described above.

GACKLE OIL COMPANY

date 8-3-56 by Albert Gackle



TIDEWATER OIL COMPANY . . . formerly
TIDE WATER ASSOCIATED OIL COMPANY

MAIN OFFICE
POST OFFICE BOX 1404

HOUSTON 1, TEXAS

1956 AUG 15 PM 1:28
August 1, 1956

J. B. HOLLOWAY
DIVISION SUPERVISOR
PRORATION & UNITIZATION

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

Gentlemen:

We have been informed by Continental Oil Company of their intention to form a 160-acre non-standard gas proration unit consisting of the NW/4 Section 12, T-23-S, R-36-E, NMPM, Lea County, New Mexico, in the Jalmat Gas Pool. It is our understanding that said unit is to be allocated to their Stevens B-12 Well No. 1, located 660 feet from the North line and 1650 feet from the West line of said Section 12.

You are respectfully advised that the undersigned offset operator hereby waives notice and hearing on the formation of the non-standard gas proration unit described above.

Yours very truly,

TIDEWATER OIL COMPANY

By


J. B. Holloway

JBH:vp

AFFIDAVIT OF COMMUNITIZATION AGREEMENT
MAIN OFFICE OCC

STATE OF New Mexico)
COUNTY OF Chaves) ss.
1956 AUG 15 PM 1:23

Homer Dailey, being first duly sworn,
deposes and says, that he is the duly authorized agent and representative of
Continental Oil Company, designated operator of the
Stevens B-12 No. 1 located in
Lease Well No.
NW/4 Section 12-T23S-R36E.
Legal Description of Unit

N.M.P.M., consisting of 160 acres and that all owners of working
interests underlying the above described unit have pooled or communitized
their respective interests for the purpose of production of oil or gas and
associated hydrocarbons from said unit, insofar as said production pertains
to the Jalmat Pool, by virtue of that certain agreement to
allocate acreage entered into under date of December 31, 1951, a copy
of which is attached hereto.

Homer Dailey
Signature

Subscribed and sworn to before me this 13th day of August,

1956.

Louis B. Houston
Notary Public in and for the
County of Chaves

My Commission Expires:

May 25, 1960

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AGREEMENT TO ALLOCATE ACREAGE

THIS AGREEMENT, Made and entered into on the date hereinafter set forth by and between CONTINENTAL OIL COMPANY, a Delaware corporation, STANDARD OIL COMPANY OF TEXAS, a Delaware corporation, THE ATLANTIC REFINING COMPANY, a Pennsylvania corporation, and STANOLIND OIL AND GAS COMPANY, a Delaware corporation, hereinafter called "First Parties," and WESTERN NATURAL GAS COMPANY, a Delaware corporation, with permit to do business in the State of New Mexico, hereinafter called "Second Party";

W I T N E S S E T H:

WHEREAS, on the 3rd day of January, 1938, the United States of America, as lessor, issued its oil and gas lease, Serial Las Cruces 030556 (b) to Nellie N. Stevens, as lessee, for a term of twenty (20) years, said lease covering, among other property, the

NE/4; N/2 NW/4; and S/2 SW/4 Section 12, T-23-S,
R-36-E, N.M.P.M., Lea County, New Mexico;

AND, WHEREAS, first parties are the owners of said oil and gas lease, subject to an overriding royalty interest; and,

WHEREAS, Western Natural Gas Company is the owner of oil and gas leases described as follows, to-wit:

<u>Lessor</u>	<u>Lessee</u>	<u>Date</u>	<u>Recorded</u> <u>Book</u> <u>Page</u>
Roy G. Barton	P. J. Flynn	4-2-38	35 133
Charles R. Fite	Roy G. Barton	4-2-38	35 337
William Kendall	Roy G. Barton	4-2-38	35 338
Pearl Oliphant	Roy G. Barton	4-2-38	35 339
John G. Archer, et ux	Roy G. Barton	4-2-38	35 336
Elizabeth Hudson Penn, Individually and as Independent Executrix of the Estate of R. R. Penn, deceased	Roy G. Barton	6-9-38	35 270
Ruby A. Hargrave	Roy G. Barton	6-15-38	38 307
United North & South Development Co.	Roy G. Barton	8-19-38	35 412
Roy G. Barton	Western Gas Co.	9-15-38	35 411
Peerless Oil & Gas Co.	Western Gas Co.	12-23-41	44 250

651v

all covering the following described property, to-wit:

N/2 SW/4, SW/4 NW/4 and W/2 SE/4 NW/4 of Section 12,
T. 23S., R. 36E., Lea County, New Mexico;

AND, WHEREAS, Western Natural Gas Company is the owner of
all of the oil, gas and other minerals in, under and that may be pro-
duced from the

E/2 SE/4 NW/4 of Section 12, T. 23S., R. 36E., Lea County,
New Mexico,

AND, WHEREAS, a gas well, as that term is commonly known
in the industry, is located on the N/2 NW/4 of said Section 12,
which gas well is owned and operated by first parties and known
as the Stevens B-12 No. 1 well; and,

WHEREAS, a gas well is located on the N/2 SW/4 of said
Section 12, which gas well is owned and operated by second party
and known as the E. F. King No. 1 well; and,

WHEREAS, first parties entered into a gas purchase contract
with El Paso Natural Gas Company, a Delaware corporation, with
offices at El Paso, Texas, on July 17, 1948, under the terms of
which El Paso Natural Gas Company agreed to purchase the produc-
tion from the Stevens B-12 No. 1 well, among other gas wells
situated on other property, under the terms and conditions therein
set forth; and,

WHEREAS, under the terms of said contract the amount of gas
purchased by said El Paso Natural Gas Company from each gas well
is based on a "Maximum Gas Allocation Unit," defined as "a tract
which contains 160 acres forming a continuous block * * * upon
which is located a 'dry gas' * * * well"; and,

WHEREAS, Western Natural Gas Company also has a gas purchase
agreement with the said El Paso Natural Gas Company which also
provides for purchase of gas from wells on the same "Maximum Gas
Allocation Unit"; and,

WHEREAS, the N/2 NW/4 of said Section 12, containing for
the purposes of allocation 80 acres of land, more or less, is
assigned to said Stevens B-12 No. 1 well for the purposes of
determining the amount of gas to be purchased by El Paso Natural

6012

Gas Company, and, therefore, gas is purchased from said well on a basis of one-half of a "Maximum Gas Allocation Unit"; and,

WHEREAS, the S/2 NW/4 and the N/2 SW/4 of Section 12, which for the purposes of calculation under the contract between second party and El Paso Natural Gas Company contain 160 acres; and,

WHEREAS, gas is purchased therefrom on a basis of a "Maximum Gas Allocation Unit" as above defined; and,

WHEREAS, the lease owned by first parties, insofar as it covers the S/2 SW/4 of said Section 12 is not assigned to any producing well covered by contract of purchase with El Paso Natural Gas Company; and,

WHEREAS, it is the desire of first parties and second party that the W/2 of said Section 12 shall be divided into two "Maximum Gas Allocation Units" as above defined, so that one "Maximum Gas Allocation Unit" shall be allocated to the Stevens B-12 No. 1 well, and one "Maximum Gas Allocation Unit" shall be allocated to the E. F. King No. 1 well; and,

WHEREAS, El Paso Natural Gas Company agrees to the allocation of the acreage to the wells as herein set forth, and has consented to the allocation, as evidenced by its signature hereto;

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS:

That the parties hereto agree as follows:

That the leasehold estate owned by first parties, insofar as it covers the N/2 NW/4 of said Section 12, and the leasehold estate owned by second party, insofar as it covers the S/2 NW/4 of Section 12, for the purposes of comprising a "Maximum Gas Allocation Unit," as that term is defined herein and in the agreement between first parties and El Paso Natural Gas Company, are hereby allocated to the Stevens B-12 No. 1 well.

That the leasehold estate owned by second party, insofar as it covers the N/2 SW/4, and the leasehold estate owned by first parties, insofar as it covers the S/2 SW/4 of said Section 12, are hereby combined so as to comprise a "Maximum Gas Allocation Unit," as that term is defined herein and in the agreement

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between second party and El Paso Natural Gas Company, and are hereby allocated to the B. F. King No. 1 well.

It is specifically agreed and understood between the parties hereto that this agreement shall in no way affect the ownership of the leasehold estates by first and second parties and the purpose of this agreement is to provide for two "Maximum Gas Allocation Units" in the W/2 of said Section 12.

This agreement may be terminated by either party upon thirty (30) days written notice to the other party. The mailing address of first parties shall be:

Continental Oil Company, Production Department,
1710 Fair Building, Fort Worth 2, Texas.

The mailing address of second party shall be:

Western Natural Gas Company
1006 Main Street,
Houston 2, Texas

This contract shall not become effective until it shall have been submitted to the Department of the Interior and the approval of that department secured, if such approval is requisite under applicable regulations to its recognition hereof.

WITNESS THE EXECUTION HEREOF this 21 day of December, 1951.

CONTINENTAL OIL COMPANY

ATTEST:

BY

Mercedes Smith
Assistant Secretary

Chas. A. Smith
Vice-President

STANDARD OIL COMPANY OF TEXAS

ATTEST:

BY

V. Clark
Assistant Secretary

Wm. H. H. H. H.
Vice-President

THE ATLANTIC REFINING COMPANY

BY

G. H. Henderson
Attorney in Fact

STANOLIND OIL AND GAS COMPANY

BY

C. F. Bradford
Attorney in Fact

FIRST PARTIES

WESTERN NATURAL GAS COMPANY

ATTEST:

Charles L. Herington
Secretary

BY

J. V. Cowan
J. V. Cowan, Vice-President

SECOND PARTY

The foregoing agreement is hereby approved.

Nellie N. Stevens
NELLIE N. STEVENS

J. B. Buchanan
J. B. BUCHANAN

J. C. Corner
J. C. CORNER

Overriding Royalty Owners under the
Nellie N. Stevens lease covering the
N/2 NW/4 and S/2 SW/4, Section 12,
T-23-S, R-37-E, N.M.P.M., Lea
County, New Mexico.

The foregoing agreement is hereby approved and the under-
signed agrees to the creation of the two "Maximum Gas Allocation
Units" above provided for.

EL PASO NATURAL GAS COMPANY

ATTEST:

A. J. Marten
Asst. Secretary

BY

C. L. Perkins
Vice-President

71-5

THE STATE OF TEXAS |
COUNTY OF HARRIS |

On this 14th day of January 1952, 1951, before me, A Notary Public in and for said County and State, personally appeared CHAS. A PERLITZ, JR., to me personally known, who, being by me duly sworn did say that he is the Vice-President of CONTINENTAL 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 CHAS. A. PERLITZ, JR. acknowledged said instrument to be his free and voluntary act and deed and the free and voluntary act and deed of said corporation for the uses specified therein.

WITNESS MY HAND AND SEAL OF OFFICE the day and year in this certificate first above written.

Rufana
Notary Public, Harris County,
Texas

My Commission Expires:

6-1-53

* * * * *

STATE OF CALIFORNIA Texas |
~~CITY AND COUNTY OF SAN FRANCISCO~~ |
Harris

On this 4th day of February, 1952, before me, a Notary Public in and for said City and County and State, personally appeared John Blomery, Jr., to me personally known, who, being by me duly sworn did say that he is the Vice-President of STANDARD OIL COMPANY OF TEXAS, 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 John Blomery, Jr. acknowledged said instrument to be his free and voluntary act and deed and the free and voluntary act and deed of said corporation for the uses specified therein.

WITNESS MY HAND AND SEAL OF OFFICE the day and year in this certificate first above written.

Jessie McFarland
Notary Public, City and County of
~~San Francisco~~, California:

My Commission Expires:

6-1-53

Jessie McFarland
JESSIE MCFARLAND

~~My Commission Expires~~

* * * * *

71-4

THE STATE OF TEXAS
COUNTY OF DALLAS

On this 25th day of February, 1952, before me, a Notary Public in and for said County and State, personally appeared J.N. Mendenhall, to me personally known, who being by me duly sworn did say that he is Attorney in Fact for THE ATLANTIC REFINING COMPANY, and that said instrument was signed in behalf of said corporation by authority of its Board of Directors, and said J.N. Mendenhall acknowledged said instrument to be his free and voluntary act and deed and the free and voluntary act and deed of said corporation, for the uses specified therein.

WITNESS MY HAND AND SEAL OF OFFICE the day and year in this certificate first above written.

Holly Mae Tippett
Notary Public, Dallas County, Texas

My Commission Expires:

6-1-53

* * * * *

STATE OF ~~OKLAHOMA~~ Texas
COUNTY OF ~~TULSA~~ Tarrant

On this 28th day of February, 1952, before me, a Notary Public in and for said County and State, personally appeared E. J. Bedford, to me personally known, who being by me duly sworn did say that he is Attorney in Fact for STANOLIND OIL AND GAS COMPANY, and that said instrument was signed in behalf of said corporation by authority of its Board of Directors, and said E. J. Bedford acknowledged said instrument to be his free and voluntary act and deed and the free and voluntary act and deed of said corporation, for the uses specified therein.

WITNESS MY HAND AND SEAL OF OFFICE the day and year in this certificate first above written.

Dorothy E. Pickerel
Notary Public, ~~Tulsa County,~~
~~Oklahoma.~~ Tarrant County, Texas
DOROTHY E. PICKEREL

My Commission Expires:

6-1-53

71-7

* * * * *

STATE OF Texas

COUNTY OF Harris

On this 14th day of April, 1953, before me,
a Notary Public in and for said County and State, personally
appeared J. V. Cowan, to me personally known, who,
being by me duly sworn did say that he is the Vice-President
of WESTERN NATIONAL GAS 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. V. Cowan acknowledged said instrument to be his
free and voluntary act and deed and the free and voluntary act
and deed of said corporation for the uses specified therein.

WITNESS MY HAND AND SEAL OF OFFICE this day and year in this
certified first and only time.

Ann Williamson ANN WILLIAMSON
Notary Public, Harris County,
Texas



June 1, 1953

71-8