

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION COMMISSION

IN THE MATTER OF THE HEARING CALLED BY)	
THE OIL CONSERVATION COMMISSION FOR THE)	
PURPOSE OF CONSIDERING:)	
)	
APPLICATION OF POGO PRODUCING COMPANY)	CASE NO. 13,274
(SUCCESSOR TO ARCH PETROLEUM, INC.) FOR)	<i>de novo</i>
APPROVAL OF TWO NONSTANDARD GAS SPACING)	
AND PRORATION UNITS IN THE JALMAT GAS)	
POOL, LEA COUNTY, NEW MEXICO)	
)	

REPORTER'S TRANSCRIPT OF PROCEEDINGS
(2 of 2: Resler and Sheldon Exhibits)
COMMISSION HEARING

BEFORE: MARK E. FESMIRE, CHAIRMAN
JAMI BAILEY, COMMISSIONER
WILLIAM C. OLSON, COMMISSIONER

April 19th, 2007

Santa Fe, New Mexico

This matter came on for hearing before the Oil Conservation Commission, MARK E. FESMIRE, Chairman, on Thursday, April 19th, at the New Mexico Energy, Minerals and Natural Resources Department, 1220 South Saint Francis Drive, Room 102, Santa Fe, New Mexico, Steven T. Brenner, Certified Court Reporter No. 7 for the State of New Mexico.

* * *

STEVEN T. BRENNER, CCR
(505) 989-9317

RESLER

&

SHELDON

EXHIBITS

NMOCC CASE NO. 13274

APRIL 19, 2007

46697

DECLARATION OF POOLING OR UNITIZATION

WHEREAS, by instrument dated February 18, 1956, Cities Service Oil Company gave an Oil and Gas Lease to Vilas P. Sheldon and Dale Resler, d/b/as Resler and Sheldon, covering the SE $\frac{1}{4}$ of Section 20, Township 23 South, Range 37 East, N.M.P.M., Lea County, New Mexico, down to a depth of 3,750 feet, and said lease contained a provision giving the right to the lessees to pool or combine the acreage in said lease with other lands or leases covering the SW $\frac{1}{4}$ of Section 20, Township 23 South, Range 37 East, N.M.P.M., into a unit of 320 acres for the production of natural gas and natural gas condensate; and,

WHEREAS, by Amendment of Oil and Gas Lease, executed June 28, 1957, Cities Service Oil Company amended that certain Oil and Gas Lease made June 14, 1956 by Cities Service Oil Company, as lessor, to William E. Anthony, as lessee, covering the SW $\frac{1}{4}$ of Section 20, Township 23 South, Range 37 East, N.M.P.M., to provide that said lease would be amended to include the right to pool or combine the acreage with other lands or leases covering the SE $\frac{1}{4}$ of Section 20, Township 23 South, Range 37 East, N.M.P.M., into a unit of 320 acres for the production of natural gas and natural gas condensate; and it was recited in the said Amendment that Resler and Sheldon were the owners of all right, title and interest of the lessee; and,

WHEREAS, by Agreement and Gas Lease dated January 15, 1958, Amerada Petroleum Corporation, as lessor, gave to Dale Resler and Vilas P. Sheldon, d/b/as Resler & Sheldon, and Eugene B. Nearburg and Tom L. Ingram, d/b/as Nearburg & Ingram, and Charles C. Loveless, Jr., as lessees, a certain Oil and Gas Lease covering the SE $\frac{1}{4}$ of Section 20, Township 23 South, Range 37 East, N.M.P.M., from the surface of the land down to, but not below, a depth of 3,100 feet, and provided in said lease that lessees would be authorized to pool or unitize the SE $\frac{1}{4}$ of Section 20, Township 23 South, Range 37 East, N.M.P.M., with the SW $\frac{1}{4}$ of said Section 20, so as to form a unit for the production of gas only; and,

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WHEREAS, on November 5, 1956, Amerada Petroleum Corporation, as lessor, entered into an Oil and Gas Lease Agreement with Dale Resler and Vilas P. Sheldon, d/b/as Resler and Sheldon, and Eugene E. Nearburg, Tom L. Ingram and Charles C. Loveless, Jr., as lessees, covering the SW $\frac{1}{4}$ of Section 20, Township 23 South, Range 37 East, N.M.P.M., and said lease has been amended by agreement between the parties, to grant the lessees the power and right to pool and unitize the SW $\frac{1}{4}$ of said Section 20 with the SE $\frac{1}{4}$ of said Section 20, so as to form a unit consisting of the S $\frac{1}{2}$ of Section 20, Township 23 South, Range 37 East, N.M.P.M.; and,

WHEREAS, Peerless Oil & Gas Company executed a certain Operating Agreement under date of August 29, 1956, with Resler and Sheldon as operator, covering its interest as described in the Operating Agreement; and,

WHEREAS, the undersigned lessees and present owners have agreed to pool the said leases and form a unit for the production of gas only, consisting of the S $\frac{1}{2}$ of Section 20, Township 23 South, Range 37 East, N.M.P.M., from the surface down to a depth of 3,100 feet.

NOW, THEREFORE, the undersigned lessees and present owners do hereby pool and unitize the leases and leasehold interests held by them in the SE $\frac{1}{4}$ of Section 20, Township 23 South, Range 37 East, N.M.P.M., with the leases and leasehold interests in the SW $\frac{1}{4}$ of said Section 20, Township 23 South, Range 37 East, N.M.P.M., and do hereby declare that the pooled acreage, consisting of the S $\frac{1}{2}$ of Section 20, Township 23 South, Range 37 East, N.M.P.M., shall be and constitute a unit for the production of gas, as defined in the various leases and agreements, as to all horizons from the surface of the land down to a horizontal depth of 3,100 feet beneath the surface of said land.

The effective date of this pooling agreement and of the

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unit shall be February 1, 1958, as to 1958.

In accordance with the provisions of the leases, amendments and agreement above specifically set forth, the respective lessors holding interests in the oil, gas and other minerals in the pooled or unitized acreage, shall receive, or be entitled to receive, from the unit, only such portion of the royalty stipulated in the leases as the amount of each such lessor's acreage, based on the number of his royalty interest therein, on an acreage basis, bears to the total acreage so pooled.

The provisions of the respective leases and amendments thereto are made a part hereof as if fully set out herein, but each of said leases, contracts and operating agreements shall be considered as amended by this Declaration of Pooling or Unitization effective February 1, 1958, as to the horizontal down to a horizontal depth of 1,100 feet beneath the surface of said land.

The provisions hereof shall be binding upon and inure to the benefit of the heirs, assigns and successors in interest of the parties hereto.

IN WITNESS WHEREOF, this instrument is executed this the 7th day of February, 1958.

Dale Resler
 Dale Resler
W. P. Sheldon
 W. P. Sheldon
 (d/b/as Resler and Sheldon)

Eugene B. Nearburg
 Eugene B. Nearburg
Tom L. Ingram
 Tom L. Ingram
 (d/b/as Nearburg and Ingram)

Charles C. Loveless, Jr.
 Charles C. Loveless, Jr.

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STATE OF Texas)
COUNTY OF El Paso) ss.

The foregoing instrument was acknowledged before me this 14 day of February, 1958, by Dale Resler.

My Commission Expires: January 1959

A. A. [Signature]
Notary Public.



STATE OF NEW MEXICO)
COUNTY OF EDDY) ss.

The foregoing instrument was acknowledged before me this 26 day of February, 1958, by Vilas P. Sheldon.

My Commission Expires: 2-15-60

Louise Laugherty
Notary Public.

STATE OF NEW MEXICO)
COUNTY OF CHAVES) ss.

The foregoing instrument was acknowledged before me this 7th day of February, 1958, by Eugene E. Nearburg and Tom L. Ingram, d/b/as Nearburg and Ingram.

My Commission Expires: MY COMMISSION EXPIRES JUNE 28th 1959

Esther J. Lake
Notary Public.

STATE OF New Mexico)
COUNTY OF Chaves) ss.

The foregoing instrument was acknowledged before me this 11th day of February, 1958, by Charles C. Loveless, Jr.

My Commission Expires: 1-1-59

[Signature]
Notary Public.



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RATIFICATION

The undersigned Peerless Oil and Gas Company does hereby consent to the above Declaration of Pooling or Unitisation, to be effective the 1st day of February, 1958.

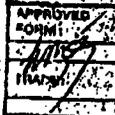
IN WITNESS WHEREOF, this Ratification is executed this 24 day of February, 1958, by Peerless Oil and Gas Company, by its proper officer, hereunto duly authorized.

PEERLESS OIL AND GAS COMPANY

Alvin C. ...
President



Alvin C. ...
Notary Public



STATE TEXAS
COUNTY OF BEXAR

The foregoing instrument was acknowledged before me this 24 day of February, 1958, by Florence Cowdry, WES president of Peerless Oil and Gas Company, a corporation, on behalf of said corporation.

Anne Garrison
Notary Public

My Commission Expires: 18th day of February 1958

ANNE GARRISON
Notary Public, Bexar County, Texas



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FILED
MAR 3 1958
Notary Public