

MAIN OFFICE OCC  
BEFORE THE OIL CONSERVATION COMMISSION  
OF THE  
STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION  
OF CONTINENTAL OIL COMPANY FOR AN  
ORDER POOLING THE SE/4, E/2 SW/4,  
SECTION 28, AND N/2 NE/4, NE/4 NW/4,  
SECTION 33, ALL IN TOWNSHIP 20 SOUTH,  
RANGE 37 EAST, EUMONT GAS POOL, LEA  
COUNTY, NEW MEXICO

360 NSP  
per (Lulu) (Ja)  
R 520  
forced pooling

A P P L I C A T I O N

Comes now Continental Oil Company and makes application  
for an order pooling or communitizing the rights and interests  
of all persons having the right to drill for, produce or share  
in the production of oil or gas, or both, from the Eumont Gas  
Pool in and under the following described lands:

Township 20 South, Range 37 East, N.M.P.M.

Section 28: SE/4, E/2 SW/4  
Section 33: N/2 NE/4, NE/4 NW/4

Lea County, New Mexico, upon such terms and conditions as are  
just and reasonable and will afford to the owners of each tract  
or interest within such communitized unit the opportunity to  
recover or receive his just and equitable share of the oil or  
gas, or both, in said pool, and in support thereof would show:

1. That applicant is the operator of the above described tract, and is authorized to make this application.
2. That the ownership and leasehold interests in the above described lands are as follows:
  - a. U.S. Oil and Gas Mineral Lease No. LC 031696 (b) covering S/2 SE/4, NW/4 SE/4, E/2 SW/4, Section 28, Township 20 South, Range 37 East, N.M.P.M.; and N/2 NE/4, NE/4 NW/4, Section 33, Township 20 South, Range 37 East, N.M.P.M.:

Continental Oil Company	Undivided 1/4
The Atlantic Refining Co.	Undivided 1/4
Standard Oil Co. of Texas	Undivided 1/4
Stanolind Oil & Gas Co.	Undivided 1/4

Overriding Royalties - None

- b. Della Turland and Doll Turland, 613 East Corbitt, Hobbs, New Mexico, lessors, covering NE/4 SE/4, Section 28, Township 20 South, Range 37 East, N.M.P.M.:

Mapenza Oil Co., Box 1628, Hobbs, N.M. Undivided 1/2  
A & M Oil Co., Box 916, Corsicana, Tex. Undivided 1/4  
Morris R. Antweil, and Rose Antweil,  
his wife, Box 1058, Hobbs, N.M. Undivided 1/4

Overriding royalties:

B. H. Nolen and Ethel Nolen, his wife - 7/128ths  
W. K. Byrom and Frankie Byrom, his wife - 7/128ths

Said overriding royalties to become effective after an oil payment of \$24,000.00 to lessors.

3. That all working interests, royalty interests, and overriding royalty interests in and under said lands have been communitized insofar as the Mumont Gas Pool, as presently defined, is concerned, except the land-owner's royalty interest of Della Turland and Doll Turland, and that said parties have refused to execute a communitization agreement as to said interest.

4. That applicant and other owners of rights and interests in and under the above described lands who have agreed upon the pooling of their interests will be deprived of their opportunity to recover their just, equitable and fair share of the oil or gas, or both, thereunder, and the correlative rights of the parties will not be protected and waste will occur unless an order is entered by this Commission pooling the rights and interests of all persons therein.

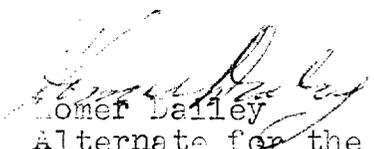
5. The pooling of said interests is in the interest of conservation, can be done without waste, and will protect the correlative rights of all parties.

WHEREFORE, applicant respectfully requests that the Oil Conservation Commission of New Mexico enter an appropriate order pooling the rights and interests of all persons having the right to drill for, produce or share in the production of oil or gas, or both of them, from the Mumont Gas Pool underlying the above described lands, upon such terms and conditions as

are just and reasonable, together with such other provisions as to the Commission may seem just and proper.

Respectfully submitted,

CONTINENTAL OIL COMPANY

  
Homer Bailey  
Alternate for the  
Division Superintendent

BEFORE THE  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO  
160-1 EXHIBIT No. 1  
CASE 1157

JUL 27 1956  
U. S. GEOLOGICAL SURVEY  
ROSWELL, NEW MEXICO

COMMUNITIZATION AGREEMENT

Contract No. \_\_\_\_\_

THIS AGREEMENT, entered into as of the 16th day of March, 1956, by and between the parties subscribing, ratifying or consenting hereto, such parties being hereinafter referred to as "parties hereto";

W I T N E S S E T H:

WHEREAS, the Act of February 25, 1920, 41 Stat. 437, as amended by the Act of August 8, 1946, 60 Stat. 950, 30 U.S.C. Secs. 181 et seq., authorized communitization or drilling agreements communitizing or pooling a federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing dry gas and associated liquid hydrocarbons in accordance with the terms and conditions of this agreement;

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

NEW MEXICO PRINCIPAL MERIDIAN, NEW MEXICO

T-20-S, R-37-E

Section 28: SE/4 and E/2 of SW/4

Section 33: N/2 of NE/4 and NE/4 of NW/4

Situated in Lea County, New Mexico,

Containing 360 acres, more or less,

and this agreement shall extend to and include only the presently defined Eumont Gas Pool, which extends from the top of the Yates to the base of the Queen formations, underlying said lands and the dry gas and associated liquid hydrocarbons (hereinafter referred to as "communitized substances") producible from such Eumont Gas Pool.

The parties that execute this instrument as "Working Interest Owners" are authorized and empowered by each other party hereto to adopt such communitization of the lands, either as herein communitized or with other adjoining lands, as to communitized substances producible from any other formation or formations lying under such lands, as in the future may be appropriate under the rules and regulations of the Oil Conservation Commission of the

State of New Mexico affecting any such other formation, effective only upon approval by the USGS or its successors.

2. Attached hereto, and made a part of this agreement for all purposes, is "Exhibit A," designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.

3. Continental Oil Company, a Delaware corporation, is hereby designated as Operator, and all matters of operation shall be governed by the Operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area, and four (4) executed copies of a designation of successor operator shall be filed with the Oil and Gas Supervisor.

4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.

4-A. Fair Employment. In connection with the performance of work under this agreement, the Operator agrees not to discriminate against any employee or applicant for employment because of race, religion, color, or national origin. The aforesaid provision shall include, but not be limited to, the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising, layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The operator agrees to post hereafter in conspicuous places, available for employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of the nondiscrimination clause.

The Operator agrees to insert the foregoing provision in all subcontracts hereunder, except subcontracts for standard commercial supplies or raw materials.

5. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

6. For the purpose of calculating royalty with respect to each leasehold within the communitized area, the amount of communitized substances so allocated to each leasehold shall be considered as the amount of communitized substances produced from such leasehold, and the royalties payable under the respective leases and other contracts covering such leasehold shall be calculated upon such allocated portion of communitized substances in accordance with the applicable provisions of such leases or contracts just as if such allocated portion of communitized substances were the actual production of communitized substances from such leasehold. Payment of rentals under the terms of leases subject to this agreement shall not be affected by this agreement, except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified

and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued.

7. There shall be no obligation on the lessees to offset any dry gas well or wells completed in the same formations as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting the area.

8. The commencement, completion, continued operation or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.

9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, 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 laws, orders, rules or regulations.

10. This agreement shall be effective as of the date hereof upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior, or his duly authorized representative, and shall remain in force and effect for a period of two (2) years and so long thereafter as communitized substances are produced from the communitized area in paying quantities; provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto.

11. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the same extent and degree as provided in the oil and gas leases under which the United States of America is lessor and in the applicable oil and gas regulations of the Department of the Interior.

12. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior.

OFFICE OCC  
SEP 27 11 00 AM '56



# CONTINENTAL OIL COMPANY

PETROLEUM BUILDING  
ROSWELL, NEW MEXICO

September 27, 1956

R. L. ADAMS  
DIVISION SUPERINTENDENT  
OF PRODUCTION  
NEW MEXICO DIVISION

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

Attention: Mr. Daniel S. Nutter

Gentlemen:

In order to complete your file on Cases 1156 and 1157, consolidated at the hearing held September 26, 1956, we forward herewith photostatic copies of the sheets which were removed from the communitization agreement introduced into evidence at the hearing. This exhibit was designated "Exhibit No. 1" in Case 1157.

If additional information is desired, please let us know.

Yours very truly,

*R L Adams*  
*By W. H. Lyon*

RLA-BC

Enc

13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.

14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.

15. This agreement, particularly the provisions of paragraph 6 above, shall extend and apply to all renewals and extensions (whether by new lease or otherwise) of the respective leases mentioned in the attached Exhibit A, and to all leases which may be executed or issued in lieu of or as a substitute or exchange for any of said leases or renewals or extensions thereof.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

ATTEST:

\_\_\_\_\_  
Assistant Secretary

Date \_\_\_\_\_

ATTEST:

*R. O. Potchornick*  
\_\_\_\_\_  
Assistant Secretary - Secretary

Date 6 10 '56

ATTEST:

\_\_\_\_\_  
Secretary

Date \_\_\_\_\_

CONTINENTAL OIL COMPANY

BY \_\_\_\_\_

Its \_\_\_\_\_

Address: 1710 Fair Building  
Fort Worth 2, Texas

OPERATOR AND WORKING INTEREST  
OWNER

THE ATLANTIC REFINING COMPANY

BY *J. M. Mendenhall* \_\_\_\_\_

Its GENERAL MANAGER OF  
DOMESTIC CRUDE OIL PRODUCTION \_\_\_\_\_

Address: P.O. Box 871

Midland, Texas

WORKING INTEREST OWNER

STANDARD OIL COMPANY OF TEXAS

BY \_\_\_\_\_

Its \_\_\_\_\_

Address: \_\_\_\_\_

WORKING INTEREST OWNER

STANOLIND OIL AND GAS COMPANY

ATTEST:

BY \_\_\_\_\_

\_\_\_\_\_  
Secretary

Its \_\_\_\_\_

Date \_\_\_\_\_

Address: P. O. Box 899  
Roswell, New Mexico

WORKING INTEREST OWNER

MAPENZA OIL COMPANY, a New Mexico  
Partnership

BY \_\_\_\_\_

Date \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

WORKING INTEREST OWNER

A & M OIL COMPANY

ATTEST:

BY \_\_\_\_\_

\_\_\_\_\_  
Secretary

Its \_\_\_\_\_

Date \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

WORKING INTEREST OWNER

\_\_\_\_\_  
Morris R. Antweil

Date \_\_\_\_\_

\_\_\_\_\_  
Rose S. Antweil (wife of Morris  
R. Antweil)

Address: \_\_\_\_\_  
\_\_\_\_\_

WORKING INTEREST OWNER

\* \* \* \* \*

OVERRIDING ROYALTY INTEREST OWNERS

\_\_\_\_\_  
B. H. Nolen

Date \_\_\_\_\_

\_\_\_\_\_  
Ethel Nolen (wife of B.H. Nolen)

Address: \_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
W. K. Byrom

Date \_\_\_\_\_

\_\_\_\_\_  
Frankie Byrom(wife of W.K.Byrom)

Address: \_\_\_\_\_  
\_\_\_\_\_

\* \* \* \* \*

\_\_\_\_\_  
Doll Turland

Date \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Della Turland

Date \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

ROYALTY & OIL PAYMENT OWNERS

\* \* \* \* \*

\_\_\_\_\_  
Sophia Meyer

Date \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

LESSEE

\* \* \* \* \*

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

THE STATE OF \_\_\_\_\_ :

COUNTY OF \_\_\_\_\_ :

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, by \_\_\_\_\_, \_\_\_\_\_ of Continental Oil Company, a Delaware corporation, on behalf of said corporation.

My commission expires: \_\_\_\_\_ Notary Public in and for \_\_\_\_\_ County, \_\_\_\_\_

\* \* \* \* \*

THE STATE OF Texas :

COUNTY OF Dallas :

The foregoing instrument was acknowledged before me this 21st day of June, 1956, by J. N. MENDENHALL, \_\_\_\_\_, \_\_\_\_\_ of The Atlantic Refining Company, a Delaware corporation, on behalf of said corporation.



My commission expires: June 1, 1957 \_\_\_\_\_ Notary Public in and for Dallas County, TEXAS.

\* \* \* \* \*

HOLLY MAE TIPPETT

THE STATE OF \_\_\_\_\_ :

COUNTY OF \_\_\_\_\_ :

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, by \_\_\_\_\_, \_\_\_\_\_ of the Standard Oil Company of Texas, a Delaware corporation, on behalf of said corporation.

My commission expires: \_\_\_\_\_ Notary Public in and for \_\_\_\_\_ County, \_\_\_\_\_

\* \* \* \* \*

THE STATE OF \_\_\_\_\_ :

COUNTY OF \_\_\_\_\_ :

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, by \_\_\_\_\_, \_\_\_\_\_ of Stanolind Oil and Gas Company, a Delaware corporation, on behalf of said corporation.

My commission expires: \_\_\_\_\_ Notary Public in and for \_\_\_\_\_ County, \_\_\_\_\_

THE STATE OF \_\_\_\_\_:

COUNTY OF \_\_\_\_\_:

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, by \_\_\_\_\_, partner, on behalf of Mapenza Oil Company, a New Mexico, partnership.

\_\_\_\_\_  
Notary Public in and for  
\_\_\_\_\_ County, \_\_\_\_\_

My commission expires:  
\_\_\_\_\_

\* \* \* \* \*

THE STATE OF \_\_\_\_\_:

COUNTY OF \_\_\_\_\_:

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, by \_\_\_\_\_ of A & M Oil Company, a Texas corporation, on behalf of said corporation.

\_\_\_\_\_  
Notary Public in and for  
\_\_\_\_\_ County, \_\_\_\_\_

My commission expires:  
\_\_\_\_\_

\* \* \* \* \*

THE STATE OF \_\_\_\_\_:

COUNTY OF \_\_\_\_\_:

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, by Morris R. Antweil.

\_\_\_\_\_  
Notary Public in and for  
\_\_\_\_\_ County, \_\_\_\_\_

My commission expires:  
\_\_\_\_\_

\* \* \* \* \*

THE STATE OF \_\_\_\_\_:

COUNTY OF \_\_\_\_\_:

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, by Rose S. Antweil, wife of Morris R. Antweil.

\_\_\_\_\_  
Notary Public in and for  
\_\_\_\_\_ County, \_\_\_\_\_

My commission expires:  
\_\_\_\_\_

THE STATE OF \_\_\_\_\_:

COUNTY OF \_\_\_\_\_:

The foregoing instrument was acknowledged before me  
this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, by \_\_\_\_\_.

\_\_\_\_\_  
Notary Public in and for  
\_\_\_\_\_ County, \_\_\_\_\_

My commission expires:  
\_\_\_\_\_

\* \* \* \* \*

THE STATE OF \_\_\_\_\_:

COUNTY OF \_\_\_\_\_:

The foregoing instrument was acknowledged before me  
this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, by \_\_\_\_\_.

\_\_\_\_\_  
Notary Public in and for  
\_\_\_\_\_ County, \_\_\_\_\_

My commission expires:  
\_\_\_\_\_

\* \* \* \* \*

THE STATE OF \_\_\_\_\_:

COUNTY OF \_\_\_\_\_:

The foregoing instrument was acknowledged before me  
this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, by \_\_\_\_\_.

\_\_\_\_\_  
Notary Public in and for  
\_\_\_\_\_ County, \_\_\_\_\_

My commission expires:  
\_\_\_\_\_

\* \* \* \* \*

THE STATE OF \_\_\_\_\_:

COUNTY OF \_\_\_\_\_:

The foregoing instrument was acknowledged before me  
this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, by \_\_\_\_\_.

\_\_\_\_\_  
Notary Public in and for  
\_\_\_\_\_ County, \_\_\_\_\_

My commission expires:  
\_\_\_\_\_

"EXHIBIT A" TO COMMUNITIZATION AGREEMENT  
DATED THE \_\_\_\_\_ DAY OF \_\_\_\_\_, 1955,  
EMBRACING THE SE/4 AND E/2 OF SW/4 OF SECTION 28,  
AND THE N/2 OF NE/4 AND NE/4 OF NW/4 OF SECTION 33,  
T-20-S, R-37-E, N.M.P.M., LEA COUNTY, NEW MEXICO

Operator of Communitized Area: CONTINENTAL OIL COMPANY

DESCRIPTION AND OWNERSHIP OF LEASES AND  
OVERRIDING ROYALTY INTERESTS COMMITTED

Tract No. 1

Federal Lease - Oil and gas lease dated as of the 7th day of September, 1934, bearing Las Cruces Serial No. 031696(b), made and entered into by and between the United States as lessor, and Sophia Meyer, as lessee, embracing in addition to other lands not covered by this agreement, the S/2 of the SE/4, NW/4 of the SE/4, and the E/2 of the SW/4 of Section 28, and the N/2 of the NE/4 and the NE/4 of the NW/4 of Section 33, T-20-S, R-37-E, N.M.P.M., Lea County, New Mexico, containing 320 acres, more or less.

Working interest ownership of above lease as to said particularly above described tract:

Undivided 1/4 interest - Continental Oil Company  
Undivided 1/4 interest - The Atlantic Refining Company  
Undivided 1/4 interest - Standard Oil Company of Texas  
Undivided 1/4 interest - Stanolind Oil and Gas Company

OVERRIDING ROYALTIES - None.

Tract No. 2

Fee Lease - Oil and gas lease by and between Doll Turland, a single woman, and Della Turland, as lessors, and B. H. Nolen, as lessee, recorded in Book 67, page 165, of the Oil and Gas Records of Lea County, New Mexico, dated the 15th day of December, 1947, embracing in addition to other lands not covered by this agreement, the NE/4 of the SE/4 of Section 28, T-20-S, R-37-E, N.M.P.M., Lea County, New Mexico, containing 40 acres, more or less.

Working interest ownership of above lease as to said particularly above described tract:

Undivided 1/2 interest - Mapenza Oil Company  
Undivided 1/4 interest - A & M Oil Company  
Undivided 1/4 interest - Morris R. Antweil and wife,  
Rose S. Antweil

OVERRIDING ROYALTIES:

B. H. Nolen and wife, Ethel Nolen	7/128
W. K. Byrom and wife, Frankie Byrom	7/128

(The foregoing overriding royalties are effective when an oil payment payable out of 7/64 of the oil in favor of the original lessors in the principal sum of \$24,000.00 has been discharged).

Pooling provision: None (but the Lessor joins herein)

RECAPITULATION

<u>Tract Number</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	320	88-8/9%
2	40	11-1/9%

APPROVAL - CERTIFICATION - DETERMINATION

Pursuant to the authority vested in the Secretary of the Interior under the Act approved February 25, 1920, 41 Stat. 437, 30 U.S.C. Secs. 181 et seq., as amended by the Act of August 8, 1946, 60 Stat. 950, and delegated to the Director of the Geological Survey, pursuant to Department Order No. 2365, I do hereby:

A. Approve the attached Communitization Agreement covering the SE/4 and the E/2 of the SW/4 of Section 28, and the N/2 of the NE/4 and the NE/4 of the NW/4 of Section 33, T-20-S, R-37-E, N.M.P.M., Lea County, New Mexico, as to dry gas and associated liquid hydrocarbons producible from the Eumont Gas Pool underlying said lands.

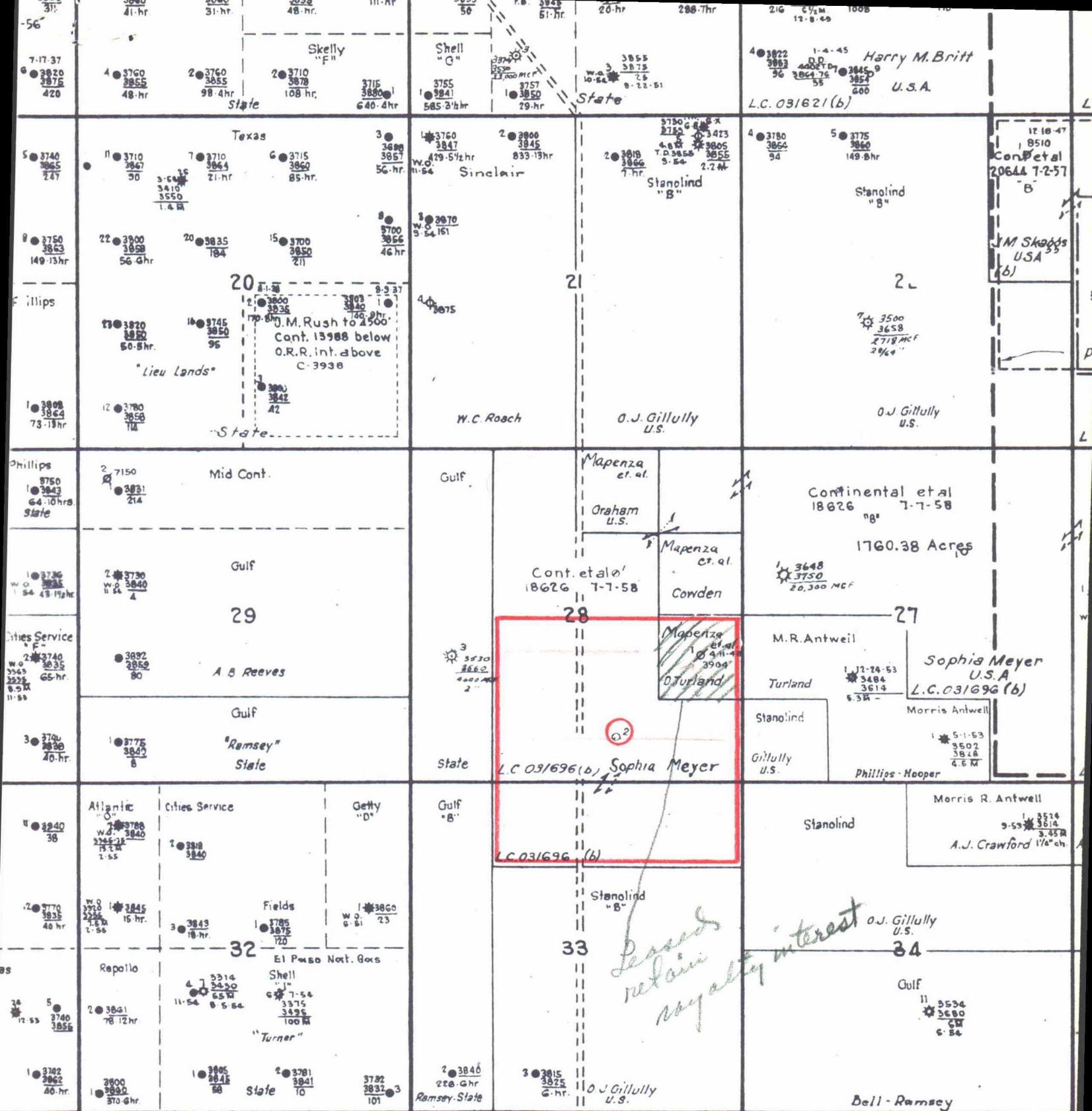
B. Determine that the Federal lease as to the lands committed to the attached agreement cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said land is located, and that communitization and approval of the agreement will be in the public interest.

C. Certify and determine that the drilling, producing, rental, minimum royalty and royalty requirements of the Federal lease committed to said agreement are hereby established, altered, changed or revoked to conform with the terms and conditions of the agreement.

DATED \_\_\_\_\_

\_\_\_\_\_  
Director,  
United States Geological Survey

CONTRACT NO. \_\_\_\_\_



CONTINENTAL OIL COMPANY

PLAT OF PROPOSED UNIT IN T-20-S R-37-E  
Lea County, N.M.

Proposed Unit ———

Unit Well 2

1157

OK  
to approve  
360 & forced pooling  
NSP  
10/23/56

OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

Date 10/23/56

CASE 1157

Hearing Date 9/26/56

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

That the Commission enter an order in the subject ~~case~~ granting approval to applicant's plea for an order pooling the rights and interests of all persons having the right to drill for, produce or share in the production of oil or gas, or both, in the SE/4 and E/2 SW/4 of Sec 28 and the N/2 NE/4 and the NE/4 NW/4 of Sec 33 T 20 S R 37 E, Lea County, New Mexico (360 acres)

My reasons therefore:

1. That the working interest ownership of all of the above described 360 acres desire to communitize and have in fact signed the communitization agreement.
2. That the royalty ownerships of all of the above described 360 acres desires to communitize and have in fact signed the communitization with the exception of Doll and Della Turland, who own a standard 1/8 royalty interest in the NE/4 of the SE/4 of Sec 28 (40 acres)
3. (over)

Staff Member

3. That a  $\frac{1}{8}$  royalty interest <sup>in 40 acres</sup> holding up the communitization of 360 acres.
4. That a violation of correlative rights and waste will occur if the application is not approved.

Van Nutter

Also approve 360 A NSP.  
M

DOCKET: EXAMINER HEARING SEPTEMBER 26, 1956

New Mexico Oil Conservation Commission 9:00 a.m., Hobbs, New Mexico

Oil Conservation Commission Office, 1000 W. Broadway, Hobbs, New Mexico

The following cases will be heard before Daniel S. Nutter, Examiner:

CASE 1150: Application of Amerada Petroleum Corporation for an order granting permission to make up underproduction on its M. J. Raley "A" No. 1 Oil Well resulting from pipeline proration in exception to Rule 503 (f) of the New Mexico Oil Conservation Commission Rules and Regulations. Applicant, in the above-styled cause, seeks permission to make up approximately 3,990 barrels of under-produced oil which accrued to its M. J. Raley "A" No. 1 Well located 660 feet from the North and East lines of Section 18, Township 20 South, Range 38 East, North Warren McKee Pool, Lea County, New Mexico, which resulted from the Cities Service pipeline proration during the months of April and May of 1956.

CASE 1151: Application of The Texas Company for an order establishing a 114.41-acre non-standard gas proration unit in the Jalmat Gas Pool in exception to Rule 5 (a) of the Special Rules and Regulations for said pool as set forth in Order R-520. Applicant, in the above-styled cause, seeks an order establishing a 114.41-acre non-standard gas proration unit in the Jalmat Gas Pool consisting of the following acreage:

Township 24 South, Range 37 East  
Section 31: Lots 3 & 4 (W/2 SW/4)

Township 25 South, Range 37 East  
Section 6: Lot 4 (NW/4 NW/4)

Said unit to be dedicated to applicant's C. C. Fristoe "B" (NCT-4) No. 2 Well located 660 feet from the South and West lines of Section 31, Township 24 South, Range 37 East, Lea County, New Mexico.

CASE 1152: Application of Continental Oil Company for an order authorizing a gas-gas dual completion in the Tubb and Blinebry formations of undesignated gas pools in the SE/4 of Section 28, Township 20 South, Range 38 East, Lea County, New Mexico, in exception to Rule 112-A of the New Mexico Oil Conservation Commission Rules and Regulations, and further, authorizing the commingling of the liquids produced from the two zones in exception to Rule 303 of the New

240-acre non-standard gas proration unit in the Eumont Gas Pool comprising the NE/4 and the E/2 NW/4 of Section 28, Township 20 South, Range 37 East, Lea County, New Mexico. Said unit to be dedicated to applicant's Meyer B-28 "A" Well No. 1 located 1980 feet from the North and East lines of said Section 28; and further for the forced pooling of all interests therein within the vertical limits of the Eumont Gas Pool.

CASE 1157:

Application of Continental Oil Company for a 360-acre non-standard gas proration unit in the Eumont Gas Pool in exception to Rule 5 (a) of the Special Rules and Regulations for said pool, and for the forced pooling of all interests therein within the vertical limits of the Eumont Gas Pool in compliance with Section 65-3-14 (c) NMSA (1953). Applicant, in the above-styled cause, seeks an order establishing a 360-acre non-standard gas proration unit in the Eumont Gas Pool comprising the SE/4 and E/2 SW/4 of Section 28, and N/2 NE/4 and NE/4 NW/4 of Section 33, Township 20 South, Range 37 East, Lea County, New Mexico. Said unit to be dedicated to applicant's Meyer B-28 "A" Well No. 2 located 660 feet from the South line and 1980 feet from the East line of said Section 28; and further for the forced pooling of all interests therein within the vertical limits of the Eumont Gas Pool.

CONTINUED CASE

CASE 1137:

Application of Humble Oil and Refining Company for permission to convert its State "A" Well No. 2 into a salt water disposal well in the San Andres formation of the Hobbs Pool in accordance with New Mexico Oil Conservation Commission Statewide Rule 701. Applicant, in the above-styled cause, seeks an order granting permission to convert its previously abandoned State "A" Well No. 2 into a salt water disposal well; said well is located 330 feet from the South and East lines of Section 25, Township 18 South, Range 37 East, Lea County, New Mexico. Applicant proposes to inject salt water below the oil-water contact of the San Andres formation in the Hobbs Pool.