

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

AMENDED APPLICATION OF GULF OIL CORPORATION
FOR AN ORDER GRANTING AN EXCEPTION TO RULE
5 (a) OF THE SPECIAL RULES AND REGULATIONS
FOR THE EUMONT GAS POOL AS SET FORTH IN
ORDER R-520 FOR THE ESTABLISHMENT OF A NON-
STANDARD 477.19 ACRE GAS PRORATION UNIT CON-
SISTING OF THE N/2 AND SE/4 OF SECTION 19,
TOWNSHIP 19 SOUTH, RANGE 37 EAST, LEA COUNTY,
NEW MEXICO, AND THE POOLING OF THE INTERESTS
THEREIN OF THE GAS RIGHTS WITHIN THE VERTICAL
LIMITS OF THE EUMONT GAS POOL.

NO. 1683

Gulf Oil Corporation for its amended application states and alleges as follows:

1. On December 26, 1957, Gulf Oil Corporation, as Operator, entered into a certain Gas Pooling Agreement with Phillips Petroleum Company and Shell Oil Company, as Non-Operators, said pooling agreement, designated B. V. Culp Eumont Gas Unit No. 1, covers 477.19 acres consisting of the N/2 and SE/4 of Section 19, Township 19 South, Range 37 East, N.M.P.M., Lea County, New Mexico, all as more clearly shown on the plat attached hereto and made a part hereof. Said agreement is effective as to gas and associated liquid hydrocarbons produced within the vertical limits of the Eumont Gas Pool through Gulf's B. V. Culp "A" Well No. 3, located 1980 feet from the North and West lines of said Section 19.

2. Gulf's B. V. Culp "A" Well No. 3 is also located 660 feet from the South boundary line of the NW/4, as shown on the plat attached hereto, said well being completed on February 14, 1956, as a gas-oil dual well producing gas from the Eumont Gas Pool and oil from the Monument Oil Pool. An exception to Rule 5 (a) of Order R-520 is a necessary incident for the approval of the proposed 477.19 acre unit, but Gulf alleges that said well is nevertheless favorably situated to effectively drain the N/2 and SE/4 of Section 19, above described, comprising the B. V. Culp (NCT-A) Eumont Gas Unit No. 1.

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3. Lease interests in the SE/4 of Section 19, above described, are State Leases A-1543 and B-1167 owned and held by Gulf and Shell, respectively, and the Commissioner of Public Lands of the State of New Mexico has heretofore endorsed his approval of the aforesaid Gas Pooling Agreement on August 12, 1958.

4. Phillips is the owner and holder of an oil and gas lease dated August 7, 1928, from Harvey Culp, et ux, et al, covering the NW/4 NW/4 (Lot 1) of said Section 19, containing 38.58 acres, and all royalty interest owners in and under said lease except those hereinafter named have executed ratifications and consents to the said Gas Pooling Agreement.

5. Gulf is the owner and holder of an oil and gas lease dated May 6, 1926, from Baxter V. Culp, et ux, covering, among other lands, the NE/4, the E/2 NW/4 and SW/4 NW/4 (Lot 2) of Section 19, containing 278.61 acres. The royalty interests in said lease are extremely diversified and contain both divided and undivided interests. Gulf has heretofore mailed to all royalty owners a copy of said Gas Pooling Agreement and in good faith requested each of them to ratify and consent to said agreement. A majority in interest of said royalty owners have heretofore ratified said agreement and consented to the proposed pooling of gas and associated liquid hydrocarbons within the vertical limits of the Eumont Gas Pool, but some royalty owners hereinafter named who own a minority of the royalty interests in the N/2 of said Section 19, have failed to reply or have withheld their consent and ratification.

6. By the Commission's Administrative Order NSP-256 dated April 25, 1956, the SW/4 NW/4 (Lot 2), the E/2 NW/4 and the NE/4 of Section 19, above described, all of which is covered by Gulf's Baxter V. Culp Lease, described hereinabove, was dedicated to a non-standard proration unit in the Eumont Gas Pool ascribed to Gulf's B. V. Culp "A" Well No. 3, and pursuant to said order all royalty owners in Gulf's Baxter V. Culp Lease have since been receiving their proportionate shares of the gas and associated liquid hydrocarbons.

7. The following named parties are owners of royalty interests, or have future or contingent interests affecting oil and gas royalties

within the N/2 of Section 19, above described, who have not executed the consents and ratifications sent to them by Gulf or by Phillips concerning the pooling of interests in the proposed 477.19 acre gas proration unit:

Sally B. Ownby Bilger
516 South Fuller Street
Los Angeles, California

Elizabeth R. Davis
P. O. Box 155
Richmond, Kentucky

Margaret Lewis Estes and Frances Lewis Kramer,
sole heirs, devisees and Executors of the Estate
of Adrena Lewis, Deceased.
2119 East 31st Place
Tulsa, Oklahoma

H. B. Fuqua, Independent Executor of the Estate
of Clifford Moers, Deceased.
P. O. Box 1875
Fort Worth, Texas

Mary Louise Gedge
North Davis Road
Route 2
East Aurora, New York

Heirs or Devisees and Personal Representatives
of Alfred V. C. Genung, Estate of Alfred V. C.
Genung, Deceased.
Attention: Mr. H. P. Armstrong
c/o National Newark & Essex Banking Company
Newark 1, New Jersey

Gladys Grimes, Guardian of the Estate of Lady Jane
Grimes, Josephine Grimes and Oscar L. Grimes,
Trustees under the Will of Charles W. Grimes,
Deceased, Velva Grimes, Guardian of the Estates
of Charles Wilfred Grimes, II, and Mary Elizabeth
Grimes.
P. O. Box 1861
Tulsa, Oklahoma

Florence A. Hancock
1 Flower Hill Place
Port Washington, L. I., New York

Mrs. Helen Stevens Jones and John Morgan Jones
310 Park Avenue
Dunsmuir, California

Harry Kenneth Jones
520 Salter Place
Westfield, New Jersey

Frances L. Kramer
2119 East 31st Place
Tulsa, Oklahoma

A. R. Leftwich, Mack Leftwich and Mary Josephine
Romanson
8947 North Major Street
Morton Grove, Illinois

Lorraine B. Leftwich, Trustee under the Will of
Ralph W. Leftwich, Deceased.
233 West Twohig Avenue
San Angelo, Texas

Morris M. Leftwich
2853 West 7th Street
Los Angeles, California

O. L. Lupardus, Guardian of the Estate of
Park Templeton Grimes
Oklahoma Natural Building
Fifth Floor
Tulsa 19, Oklahoma

Carol E. Magenheimer
P. O. Box 1796
Carmel, California

M. H. McGrail
P. O. Box 604
Hobbs, New Mexico

Peerless Oil and Gas Company
c/o Peerless, Inc.
1670 Denver Club Building
Denver 2, Colorado

Southern Petroleum, Inc.
Attention: J. B. Headley
P. O. Box 1017
Roswell, New Mexico

8. Copies of this Amended Application have this day been mailed to the above named parties at the addresses shown and copies of this Amended Application have also this day been mailed to all Operators owning interests in Section 19, Township 19 South, Range 37 East, and also to all Operators owning interests in Sections 17, 18, 20, 29 and 30, Township 19 South, Range 37 East, and in Sections 13, 24 and 25, Township 19 South, Range 36 East.

9. Pursuant to Section 65-3-11 (10) and 65-3-14 (c), New Mexico Statutes 1953 Annotated, Gulf alleges that the Commission has the power to fix the spacing of wells and to require pooling if under the enforcement of a uniform spacing plan or proration unit the smallness or shape of separately owned tracts would otherwise deprive or tend to deprive the owners of such tracts the opportunity to recover their just and equitable share of the oil or gas in the pool. In Order No. R-520 the Commission fixed the spacing of gas wells on a standard unit in the Eumont Gas Pool at one well for each 640 acre Section. Phillips' lease contains less than 40 acres, Shell's State Lease No. B-1167 contains 80 acres, and Gulf's State Lease No. A-1543 also contains 80 acres and all three of

said leases adjoin the present 278.61 acre Gulf unit. All contiguous lands in the SW/4 of Section 19 and in Sections 17, 18, 20, 29 and 30 in Township 19 South, Range 37 East, and in Sections 13, 24 and 25 in Township 19 South, Range 36 East, are committed to gas wells producing out of the Eumont Gas Pool. The proposed unit well is presently capable of effectively draining the entire proposed 477.19 acre unit. Therefore Gulf respectfully submits that the refusal of the Commission to approve the B. V. Culp (NCT-A) Eumont Gas Unit No. 1, to establish the proposed 477.19 acre non-standard gas proration unit and to require the pooling of all royalty interests within the N/2 and SE/4 of Section 19, above described, would deprive or tend to deprive the owners of tracts in Section 19, above described, of the opportunity to recover their just and equitable share of the gas and associated liquid hydrocarbons in the Eumont Gas Pool.

WHEREFORE APPLICANT REQUESTS a hearing before an Examiner in order that the Commission may, upon proper findings of fact and conclusions of law, enter its order granting an exception to Rule 5 (a) of the Special Rules and Regulations of the Eumont Gas Pool as set forth in Order R-520 for the establishment of a 477.19 acre non-standard gas proration unit consisting of the N/2 and SE/4 of Section 19, Township 19 South, Range 37 East and approving the B. V. Culp (NCT-A) Eumont Gas Unit No. 1.

APPLICANT FURTHER REQUESTS that the Commission upon proper findings of fact and conclusions of law enter its order requiring the pooling of all royalty interests whose owners have not heretofore ratified or consented to the B. V. Culp (NCT-A) Eumont Gas Unit No. 1.

Respectfully submitted this 24th day of
July, 1959.

GULF OIL CORPORATION

By William U. Kastler
Attorney