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WESTERN UNION

TELEGRAM

W. P. MARSHALL, PRESIDENT

1220
(R 11-54)

SYMBOLS

DL=Day Letter
NL=Night Letter
LT=International Letter Telegram

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LA071 SSC104

L RWA046 LONG PD=ROSWELL NMEX 20 1037A MST=

NEW MEXICO OIL CONSERVATION COMMISSION=

1960 SEP 20 PM 12 00

P O BOX 871 SANTA FE NMEX=

ATTENTION MR. A. L. PORTER, JR. REFERENCE N.M.O.C.C.

EXAMINER HEARING, SEPTEMBER 21, 1960. CASE NUMBER 2083

APPLICATION OF GULF OIL CORPORATION FOR A 160-ACRE

NONSTANDARD GAS PRORATION UNIT AND AN ORDER

FORCE-POOLING THE MINERAL INTEREST THEREIN. SHELL OIL

COMPANY AS OPERATOR OF 80 ACRES BEING THE W/2 NE/4

SECTION 14-21S-37E WHICH IS INCLUDED IN SUBJECT

APPLICATION CONCURS WITH GULF'S RECOMMENDATIONS=

R L RANKIN SHELL OIL CO P O BOX 845

ROSWELL NEW MEXICO==

N M O C C 21 1960 2083 160 W/2 NE/4 14-21S-37E 845. ,59

1960 SEP 20 PM 1:52

MAIN OFFICE OCC

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

MAIN OFFICE OCC

THE BYERS COMPANY

1800 NORTH HUMBOLDT ROAD

CONSTANCE E. BYERS
ROBERT E. BYERS
RONALD J. BYERS

7:51

AUSTIN, TEXAS

P. O. Box 4554

GREENWOOD BOX
GL 3-5680

Case file

September 19, 1960

Re: CASE No. 2083

Application of Gulf Oil Corporation for an order granting an exception to Rule 5 (a) of the Special Rules and Regulations for the Tubb Gas Pool as set forth in Order No. R-1670 for the establishment of a non-standard 160 acre gas proration unit consisting of the W/2 E/2 of Section 14, Township 21 South, Range 37 East, N.M.P.M., Lea County, New Mexico, and the force-pooling of the interests therein of the gas rights within the vertical limits of the Tubb Gas Pool.

Mr. Daniel S. Nutter, Examiner
Mr. Oliver E. Payne, Alternate Examiner
New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Gentlemen:

We respectfully submit this letter in protest to Gulf Oil Corporation's Application seeking an order force-pooling all the mineral interests under the proposed captioned gas proration unit.

It will be gratefully appreciated by us, the non-consenting interest owners, to have this letter read at the above hearing. We also respectfully request that this letter be given your utmost consideration in the final determination of this hearing, and especially with regard to the forced pooling of all royalty interests whose owners have not consented to the above proposed gas unit.

We feel that everyone will benefit by communitizing the W/2 SE/4 Section 14, 21S, 37E, with the W/2 NE/4 Section 14, 21S, 37E, except the royalty owners under the W/2 SE/4 Section 14, being the tract on which the Naomi Keenum Well No. 2 is located.

Communitizing or pooling our interests will probably leave us with the same royalty income under the now existing allowable; however,

New Mexico Oil Conservation Commission

September 19, 1960

Page 2

*And when it becomes marginal, royalty
owners are South 80 lower.*

should this 160 acre proposed production unit be formed, and our interests forced pooled, twice as much gas would have to be produced from the well under which we own for us to receive the same royalty income as we are receiving now. The additional production from this well would be for the benefit of and credited to the royalty owners and Shell's working interest in the W/2 NE/4 Section 14, 21S, 37E.

The forced pooling of our interests, and the formation of this unit, immediately places Shell Oil Company and the royalty owners in the W/2 NE/4 Section 14, under a producing well.

Gulf Oil Corporation will also benefit by this proposed unit. Shell Oil Company will pay their proportionate part of the cost of drilling and operating this now producing well to Gulf. Gulf will realize the same income from the new allowable for the unit as they do now; however, Gulf will recoup from Shell a goodly part, if not one-half, of the drilling and operating expenses.

As you can see above, Shell's benefits from the proposed unit would also be great. Shell will not have the expense of drilling a well on the W/2 NE/4 Section 14, and probably Shell will pay for their interest in the cost of Gulf's well out of production.

As we have stated before, this 160 acre proposed production unit with forced pooling benefits all concerned except the royalty owners under the W/2 SE/4 Section 14, 21S, 37E. To us, the non-consenting owners, there are no benefits gained. In fact, our production would be drained from our own well and the entire deal would benefit other parties from our own production.

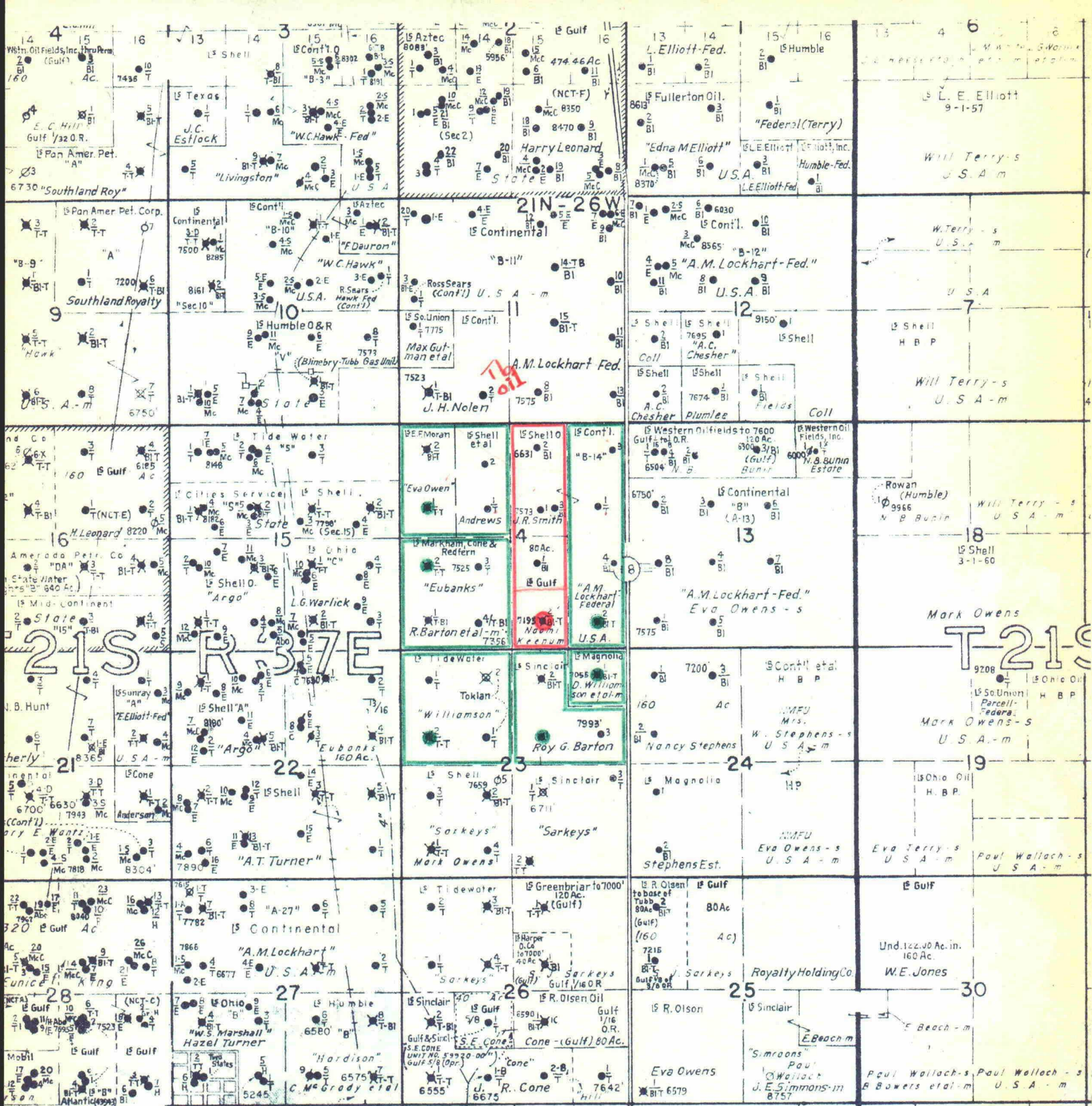
It is our opinion, to confiscate property and in this case production by forced pooling, without due compensation, and for the benefit of private parties, is grossly unjust to the extreme.

Again, we respectfully urge your utmost consideration to the above facts in the determination of this hearing.

Very truly yours,


RONALD J. BYERS

RJB:mm



PLAT
NAOMI KEENUM GAS PRORATION UNIT
TUBB GAS POOL
LEA COUNTY, NEW MEXICO

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
EXHIBIT NO. 1
CASE NO. 2083

- LEGEND -

- Proposed Unit Boundary
- Surrounding Tubb Gas Proration Units
- Pertinent Well

Case No. 2083
Exhibit No. 1

Gulf Oil Corporation

September 21, 1960

UNITED STATES DEPARTMENT OF THE INTERIOR

MINERAL CONSERVATION COMMISSION

JOHN H. HARRIS
ROBERT HARRIS
RONALD HARRIS

ROBERT HARRIS

P. O. Box 4554

GREENWOOD 8-0594
GL 3-5680

June 1, 1960

Re: W/2 SE/4 Sec. 14, 21S, 37E,
Lea County, New Mexico

Gulf Oil Corporation
P. O. Drawer 669
Roswell, New Mexico

BEFORE EXAMINER NUTTER	
OIL CONSERVATION COMMISSION	
EXHIBIT NO.	✓
CASE NO.	215

Gentlemen:

We are in receipt of your letter dated May 23, 1960, together with the Consent and Ratification Gas Pooling Agreement for the Naomi Keenum Tubb Gas Unit No. 1, which proposes to pool for gas in the Tubb Formation the above captioned tract with the W/2 NE/4 Section 14, 21S, 37E, Lea County, New Mexico.

We feel, from the deal presented to us, that everyone will benefit by communitizing this 80 acre tract into a 160 acre production unit except the mineral owners under the W/2 SE/4 Sec. 14, 21S, 37E.

Communitizing our interests still leaves us with the same income under the now existing allowable; however, should this 160 acre production unit be formed, two times as much gas would have to be produced from the well under which we own for us to receive the same income as we are receiving now. The extra production from this well would be for the benefit of the Shell's working interest and the mineral owners and credited to their interests in the W/2 NE/4 Sec. 14, 21S, 37E.

Gulf will benefit too. Shell will pay their proportionate part of the cost of drilling and operating this well to Gulf. Shell will benefit too. Shell will not have to drill a well on the W/2 NE/4 and probably they will pay for their interest in Gulf's well out of the production.

Then how about the mineral owners under the W/2 NE4? When this Agreement is fully executed they are immediately under a producing well. They do not have to wait for a well to be drilled nor take a chance of a well being dry, which, in this case isn't very likely.

Case No. 2073
Exhibit No. 2

Gulf Oil Corporation

June 1, 1960

Page 2

As I said before, this deal benefits all concerned except the mineral owners under the W/2 SE/4 Sec. 14, 21S, 37E. To us, as you can see, there are no benefits gained. Our production would be drained from our own well and the entire deal would benefit other parties from our production.

In view of the above, it would not be to our advantage to execute the Gas Pooling Agreement without substantial compensation. We feel, under the circumstances, to increase our royalty under the W/2 SE/4 Section 14, 21S, 37E, within the vertical limits of the Tubb Gas Pool, from a 1/8th as provided in the lease to a 1/4 royalty would be a just compensation for executing this Gas Pooling Agreement.

We shall appreciate it if you will let us hear from you.

Yours very truly,


RONALD J. BYERS

RJB:mmm

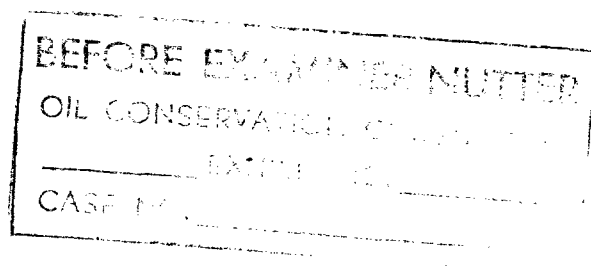


Exhibit A 3

Raulin (H17)

Dear Sir, Gulf Oil Corp 4255

Received your letter about
the Tubbs Gas Consolidation
Guertong?

Is adjoining 70 acres
producing as much ore
more gas than the Naomi
Keenun lease?

Does this pooling of
interests mean that you
will or can produce more
gas?

Put down more wells?
Increase the allowable?
What does the Naomi
Keenun Property owners
gain by this merger?

BEFORE EXAMINER NUTTER	
OIL CONSERVATION COMMISSION	
EXHIBIT NO. 4	
CASE NO. 2083	



Case No. 2083
Exhibit No. 4

June 20 - 62
Your letter dated the
11/3 the year stated that
it would double the allowance
for the Naomikemen
gas well producing its
allowable for 80 acres?
if not why? How can you
double it?

Now this merger would
give royalty owners an interest
in the Naomikemen well.

I suggest that the royalty
owners of 80 acres own an
interest in the Naomikemen well
or go into contract that
the owners of gas royalty
get all royalty for 10 years
and thereafter be decided
by you.

J. M. Newton

BEFORE EXAMINER NUTTER	
OIL CONSERVATION COMMISSION	
441	EXHIBIT NO. 5
CASE NO.	2083

Case No 2073
Exhibit No 5