

CASE 2916: Application of GULF
for compulsory pooling. (W/2 of
Sec. 21, T-24S, R-37E, Los County)

CASE No.
2916

Application,
TRANSCRIPTS,
SMALL Exhibits
ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
HOBBS, NEW MEXICO
OCTOBER 13, 1963

REGULAR HEARING

IN THE MATTER OF:

Application of Gulf Oil Corporation for
compulsory pooling, Lea County, New Mexico.

Case No. 2916

DEPOSES: E. S. "Johnnie" Walker, Land Commissioner
A. L. "Pete" Porter, Secretary-Director

TRANSCRIPT OF HEARING

DEARNLEY-MEIER REPORTING SERVICE, Inc.

HOUSTON, TEXAS
PHONE 325-1283

SANTA FE, N. M.
PHONE 963-5971

ALBUQUERQUE, N. M.
PHONE 241-6881

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
HOBBS, NEW MEXICO
October 13, 1963

REGULAR HEARING

IN THE MATTER OF:

Application of Gulf Oil Corporation for
compulsory pooling, Lea County, New Mexico.

Case No. 2916

BEFORE: E. S. "Johnnie" Walker, Land Commissioner
A. L. "Pete" Porter, Secretary-Director

TRANSCRIPT OF HEARING

MR. PORTER: Call case No. 2916.

MR. DURRETT: Case No. 2916, Application of Gulf Oil
Corporation for compulsory pooling, Lea County, New Mexico.

MR. KASTLER: May it please the Commission, my name is
Bill Kastler, from Roswell, and I am employed by and appear on
behalf of Gulf Oil Corporation. Our witness in this case is Mr.
John H. Hoover.

MR. PORTER: Before you have the witness sworn I would
like to ask if there are any other appearances in this case, does
anyone else desire to make an appearance in Case No. 2916?

The witness will stand and be sworn.

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General Court Reporting Service

Suite 1120 Simms Building Albuquerque, New Mexico Phone 243-6691



JOHN H. HOOVER,

called as a witness herein, having been first duly sworn on oath,
was examined and testified as follows:

DIRECT EXAMINATION

BY MR. DURRETT:

Q For the record, Mr. Hoover, would you state your name,
address, the name of your employer and what position you hold?

A John H. Hoover, employed by Gulf Oil Corporation, Roswell,
New Mexico, and I am the District Production Engineer.

Q Have you previously appeared before the New Mexico Oil
Conservation Commission as an expert witness?

A Yes, sir. I have.

Q And are you familiar with Gulf Oil Corporation's application
in Case No. 2916, which is an application for forced pooling in the
Fowler-Paddock Gas Pool?

A Yes, sir.

Q Mr. Porter, I submit Mr. Hoover's qualifications should
be accepted?

MR. PORTER: The Commission will accept Mr. Hoover as a
qualified witness.

Q (by Mr. Durrett) Will you please explain what Gulf is
seeking in this case?

A Yes, sir. We are asking for compulsory pooling of certain
mineral interests in the Fowler-Paddock Gas Pool underlying the
west half of Section 23, Township 24 South, Range 37 East, Lea

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County, New Mexico.

Q Why does Gulf desire forced pooling in the west half of Section 23?

A The Oil Commission, after a hearing in Case Number 2744, Order No. 2426, issued an order which established temporary special rules including a provision for 320 acre spacing in the Fowler-Paddock Gas Pool.

MR. PORTER: Excuse me, was that Order No. R-2426?

A Yes, sir. This order was to be effective March 1, 1963. One of the findings in the issuance of this order, and I would like to quote a part of that finding, that, "Temporary rules and regulations establishing 320 acre spacing units should be promulgated for the subject pool in order to prevent the possibility of an economic loss resulting from the drilling of unnecessary wells."

Q Mr. Hoover, I would now like to call your attention to a plat which we have marked Exhibit 1 and will you, please, explain what is shown on Exhibit 1?

A Yes. Exhibit 1 is a plat on which we have shown the proposed standard unit, its outlined in red, described as the west half of Section 23, Township 24 South, Range 37 East in Lea County, New Mexico. The proposed unit well being the Plains Knight Well Number 3 is circled and colored red and this well is located 1,980 feet from the south line and 760 feet from the west line of this Section 23. It was originally completed in 1953 Fowler-Fusselman Oil Pool. It was plugged back and recompleted

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as a gas well in the Fowler-Paddock Gas Pool in April of 1962, which was prior to the issuance of the special rules for this pool.

Also shown in this plat are the offsetting gas proration units, they are outlined in green, the unit well for each one of these proration units is colored in green and the non-standard unit which offsets our standard unit to the west is the one that we are particularly concerned with and the reason that it is necessary to protect our leases from drainage.

We propose to go about this by forming a standard unit.

Q Mr. Hoover, although you have not shown the areal extent of the Fowler-Paddock Gas Pool on Exhibit 1, is it a fact that the Fowler-Paddock Gas Pool underlies all of the West half of the said Section 23?

A Yes, the horizontal limits of the pool, as prescribed by the Commission, do include the west half of Section 23.

Q Does Gulf own all of the working interest in the West half of Section 23?

A Yes, we do. This acreage covers our Lillie Lease, which is described as the Northwest Quarter; our Plains Knight Lease, which is described as the North half of the Southwest Quarter and the Southeast Quarter of the Southwest Quarter; and our Bertha Lease, which is described as the Southwest Quarter of the Southwest Quarter.

Q Mr. Hoover, are these lease outlines visible on Exhibit

1?



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A Yes, I believe they are.

Q Is the royalty interest common under the Plains Knight and Bertha leases.

A Yes, it is common and there are 13 royalty interests under the Southwest Quarter.

Q In other words, the Bertha and the Plains Knight leases together are the Southwest Quarter of Section 23?

A That's correct.

Q Then, the royalty interests under the Northwest Quarter are different from those under the Southwest Quarter, is that correct?

A Yes, sir, that's correct, except for one royalty interest which is common to both the Northwest Quarter and the Southwest Quarter and there is, also, 13 royalty interests under the Northwest Quarter.

Q But they are different royalty owners?

A Different except for one which is common to both.

Q Were these royalty owners furnished a pooling agreement?

A Yes, they were, and Exhibit 2 is a copy of a letter that we furnished to each of the royalty interests, its dated March 4, 1963, and we furnished them a copy of a proposed pooling agreement with this letter. We advised them, in this letter, of the temporary pooling rules and that the pooling would not impose a loss or penalty on any party because a well with 320 acres would be allowed to produce twice as much as one with 160 acres.



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We, also, advised them that we would probably have to resort to force-pooling because the whereabouts of some of the royalty interest owners was not known.

Q Were there royalty interest owners who did not approve, excute and return to Gulf the pooling agreement?

A Yes. Mrs. Bertha Mae McClure, whose address is 6735 Hardesty, Fort Worth, Texas, who had a 5.4% interest in the Southwest Quarter; R. S. May, whose address is, Care of the Trust Department, First National Bank & Trust Company, Post Office Box 1198, Oklahoma City, Oklahoma, who had a 0.0854 interest in the Northwest Quarter and Warren M. Snyder, whose address is unknown and who had a 0.3906% interest in the Northwest Quarter.

A These various royalty interests that you are testifying about, are they a fraction of the 1/8 royalty or are they a fraction of 8/8's?

A They are a fraction of 8/8's.

Q Was Mrs. McClure contacted other than by the letter presented as Exhibit No. 2?

A Yes, Mr. May and Mrs. McClure were contacted, Exhibit No. 3 is a letter, dated June 10, 1963, that was directed to Mr. R. S. May and this letter was sent registered mail with a return receipt requested, and we did receive a signed receipt as evidence that they had received the letter. We had not heard from this party, so, we sent the letter asking if they had any further questions that we could answer and we asked them to reply so that if there



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were any objections we could make them known in the event forced-pooling was necessary. We, also, sent an identical letter, which is marked Exhibit No. 4, dated June 10, 1963, to Mrs. Bertha Mae McClure.

Q Now, have you heard from either of these parties to whom you addressed registered mail letters?

A We have received nothing from Mr. R. S. May, we did receive a letter from Mr. Leonard Howell, who is attorney for Mrs. McClure and that letter is marked Exhibit No. 5, dated June 18, 1963.

The second paragraph spells out her objections and I would like to read that, "Mrs. McClure and I have agreed on the proposition that she stands to gain nothing by your proposal and your proposition could cause her to stand a loss because of her having to share her already meagre income from production with adjacent acreage owners."

Q Now, would you explain what Exhibit No. 6 contains?

A Exhibit No. 6 is our letter, dated June 27, 1963, in answer to Mr. Howell's letter.

Q Have you had further correspondence concerning this pooling?

A Yes, we have. Exhibit No. 7 is a letter, another letter, from Leonard Howell, dated June 29, 1963, and the second paragraph I would like to read, "I presume that your company will gain something by her signing such contract, or else you wouldn't be so persistent; if it is worth \$2,500.00 to your company for her to sign such agreement, please forward your draft for such amount made payable to Mrs. McClure and I will see that it is properly executed



and returned to you." At that point we reached an impasse.

Q Mr. Hoover, does Gulf have any tests to show the producing capacity of the Plains Knight Well No. 3?

A Yes, but before I get into the tests, I would like to present Exhibit No. 8, dated July 2, 1963, which is our letter in answer to Mr. Howell's.

In answer to the question, do we have any tests, Exhibit No. 9 is a multi-point back pressure test taken on this well in June of 1963 and the well had an open flow potential of 2,360 MCF per day and a shut in pressure of 1499 psi. On one day it produced 1,226,000 cubic feet and at the lower rate it produced 1,681,000 cubic feet at 770 psi.

Q Is this well capable of producing an allowable and does the acreage have a bearing on the allowable?

A Yes, the well is capable of producing an allowable for 320 acres and our contract for the sale of this gas provided for a ratable take and the acreage dedicated thereto is a factor. I, also, checked, just recently, with the purchaser to verify the fact that acreage is a factor, that they were recognizing that it is a factor, and was advised that this well is carried as having a one-half unit, whereas wells with 320 acres are one unit.

Q What acreage is not dedicated to the Plains Knight No. 3?

A The Southwest Quarter is not dedicated.

Q You testified before about the temporary 320 acre basis ruling, what would be the effect if the Commission should

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subsequently re-establish the 160 acre spacing?

A We would expect that the pooling would no longer be effective. In fact, the authority for the gas pooling that we furnished to each of the royalty interests for their approval carried a provision in there in the event that that should happen, and I would like to read that paragraph, "In the event the New Mexico Oil Conservation Commission should revoke or modify its approval of the 320 acre gas proration unit in the Fowler-Paddock Gas Pool, therefore causing such 320 acre units to be reduced, this agreement shall, as of that date, become null and void, provided, however, that in such event there shall be no adjustment for the royalty paid for the period this agreement has been in full force and effect."

Q Mr. Hoover, is Gulf seeking to establish against these non-compensing royalty owners any liability, whatever, for the cost of the well or for its operation?

A No, we are not.

Q And you are not seeking risk factor there?

A No, we are not, since we are pooling royalty and not working interest.

Q Did Gulf mail copies of the Authorization for Gas Pooling to the non-compensing royalty owners whose address was known?

A Yes, we did.

Q Is this application in the interest of the protection of correlative right and the prevention of waste?



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A Yes, it is.

Q Was Exhibit 1 prepared by you or under your direction and supervision?

A Yes.

Q And the multi-point back pressure test for gas wells, which is marked as Exhibit No. 9, that is a copy of a test which was prepared from June 10 to June 14, 1963, a copy of the results of the test?

A Yes.

Q And Exhibits 2 through 8, are they, to the best of your knowledge and belief, true and accurate copies of the correspondence exchanged between Gulf and other royalty owners?

A Yes.

MR. DURRETT: This concludes my questions on direct examination and I would like to move to admit Exhibits 1 through 9.

MR. PORTER: Without objection the Exhibits will be admitted. Did anyone have a question of Mr. Hoover?

MR. NUTTER: Mr. Hoover, several times in the correspondence here with Mrs. McClure's attorney you mentioned allowable, what you were actually referring to, I presume, was this ratable take which the gas purchaser is utilizing, its based on acreage?

A Yes.

MR. NUTTER: Because this is not a prorated pool, actually there was no allowable?

A That's true.



CROSS EXAMINATION

BY MR. NUTTER:

Q Now, in your Exhibit 1 it shows three 320 acre units and would your unit make the 4th unit?

A Is that the whole pool, Exhibit 1?

Q Yes.

A Yes, sir. As of this time there are four wells, now, I understand that well No. 16, which is a Pan American well, located in Section 15, in the Southwest Quarter of the Southeast Quarter is going to be a Paddock Gas well and I presume that the acreage will probably be changed, either way, all attributed to No. 16 or half and half, but the way it stands right now this is the current status.

Q Who is connected with your Plains Knight lease?

A El Paso.

Q Who is connected with the other wells?

A El Paso.

Q Have you made a study to compare the tests on the rates to see that this ratable take is being put into effect?

A I did make a study between our well and the Pan American well, but the results were not conclusive for various reasons. In checking with the purchaser, they set up an allowable on the wells, which is, its not actually an allowable, its a factor they use for putting in their machines, but it has a bearing on the factors that they take, ratability, of which acreage is a factor.

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and the allowables are subject to change at the end of the year because they have under and overage carried in. Now, the current information that I received, just recently, on our Plains Knight well No. 3 for the year, to date, that was through September, they had set up an allowable, which I emphasis again, is just a figure, it doesn't mean that that's going to stay that way, it could be up or down or can be corrected, but they had set up a 100,411 MCF on that well, whereas, the well had produced a 110,047 MCF, so, it was about in balance, a little bit over produced. Now, on the same comparison for the offset well, the Pan American well No, 11, which is the one that we're concerned with primarily, that allowable would have been a 156,000 MCF and that is the well that they are carrying as having one unit whereas our well had a half unit.

Q Well, is it your anticipation that if you get 320 acres dedicated to your well that your's will produce 220,000 rather than the 110,000 it has been producing?

A Of course, the market demand would determine what they are going to ask for, but its our understanding that the allowable should go up double on the thing for 320, once we get the 320 dedicated.

Q Well, I realize that you advised Mrs. McClure that she would have $2\frac{1}{2}\%$ of twice as much as now?

A That's right.

Q But, actually, the production figures comparison on the Pan American well don't seem to substantiate that?



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Q For this year's production?

A Yes.

Q And if this order is not entered there will have to be a drastic cut back in Gulf's production in the remainder of this year?

A Yes, we would have to be cut back on this well.

Q And if that cut back should occur it would establish that the Northwest Quarter of Section 23, which is the Gulf Lillie lease, is being drained but it is not being allowed its fair share of the oil or gas in place?

A That's correct, and its being drained regardless of what happens.

MR. KASTLER: That's all the questions I have.

REDIRECT EXAMINATION

BY MR. DURRETT:

Q Mr. Hoover, just so I will be perfectly clear about this, Gulf has all of the working interest in this area that you are applying for, or at least all the working interests have agreed?

A We have all the working interest.

Q So that all you are attempting to pool here today are the royalty interest owners, is that correct?

A That's right.

Q And do I understand correctly, that you are seeking no risk factor?

A No, sir.



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Q Would that be because the well is drilled?

A No, sir, that would be because Gulf stands all the costs.

Q It wouldn't make any difference, would it?

A No, sir.

Q Now, on the same theory, with the cost of supervision or operating costs it wouldn't make any difference since you own all the working interest?

A No, sir.

MR. DURRETT: I think that's all.

MR. PORTER: Mr. Hoover, what percentage did Mrs. McClure own here?

A She has a 5.4688% royalty interest in the Southwest Quarter.

MR. PORTER: Does anyone else have a question of Mr. Hoover? Mr. Walker.

MR. WALKER: You gave Warren Snyder's address as being unknown, what attempt did you make to contact him?

A We made none, we just don't know his whereabouts, and his account is being held in suspension, in other words, the money that's due him is going into a suspended fund so if he's ever located there it is.

MR. WALKER: If he's the same Snyder I'm thinking of he lives over here at Lovington, he has enough money to protect himself.

MR. PORTER: His interest is .9306%, I believe?

A Yes, in the Northwest Quarter, I might point out that Mrs. McClure is the only non-consenting party in the Southwest Quarter.



MR. PORTER: That's right where the well is located?

A Yes.

MR. PORTER: She is now receiving a royalty from the Southwest Quarter and from the production of this well?

A That's right.

MR. KASTLER: Mr. Hoover, is it not true that there is other production, other than the Fowler-Paddock Gas production, on each of these leases?

A Yes.

MR. KASTLER: And they are all held by Gulf?

A Yes.

MR. PORTER: Are there any further questions of this witness? You may be excused. Does anyone have anything further to offer in this case? The Commission will take the case under advisement.

Take up Case 2919.

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Phone 243-6691



STATE OF NEW MEXICO)
COUNTY OF BERNALILLO) ss

I, NORRIS R. CROWNOVER, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me, and that the same is a true and correct record of the said proceedings, to the best of my knowledge, skill, and ability.

WITNESS my Hand and Seal this 20th day of November, 1963.

Norris R. Crowover
Notary Public

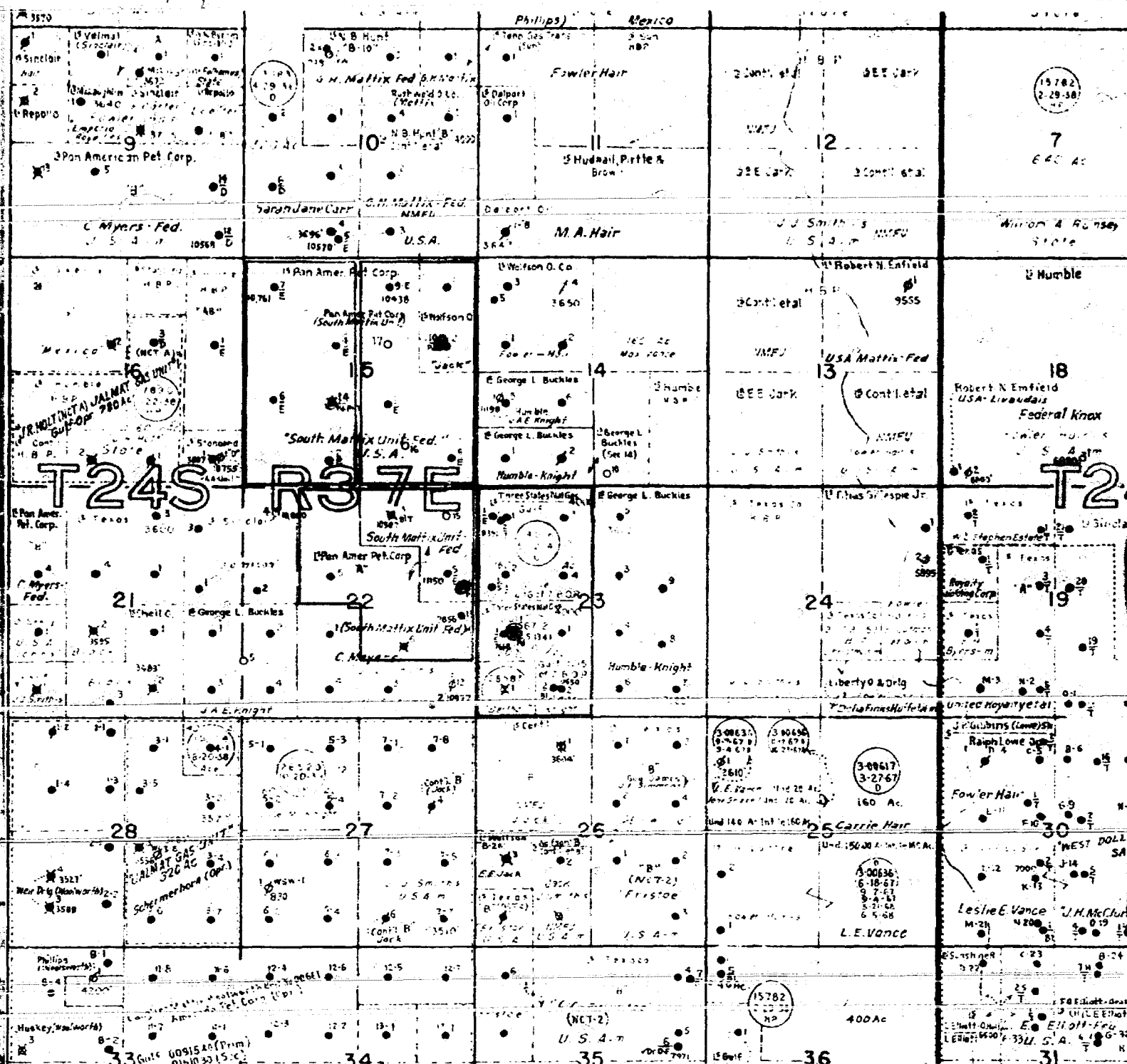
My Commission Expires:
July 11, 1967.

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PLAT

BERTHA, PLAINS KNIGHT AND LILLIE LEASES
 FOWLER PADDOCK GAS POOL
 Lea County, New Mexico

- LEGEND -

- Proposed Standard Gas Unit
- Pertinent Well
- Offsetting Gas Proration Units

GULF OIL CORPORATION

Case No. 2916
 Exhibit No. 1
 October 16, 1963

Gulf Oil Corporation

ROSWELL PRODUCTION DISTRICT

W. B. Hopkins
DISTRICT MANAGER
M. I. Taylor
DISTRICT PRODUCTION
MANAGER
F. O. Mortlock
DISTRICT EXPLORATION
MANAGER
M. A. Rankin
DISTRICT SERVICES MANAGER

P. O. Drawer 1938
Roswell, New Mexico

March 4, 1963

To Address List Attached

Re: Pooling of Acreage to Form a Standard
320-Acre Gas Proration Unit, W/2 Section 23,
Township 24 South, Range 37 East, Fowler
Paddock Gas Pool, Lea County, New Mexico

Gentlemen:

The New Mexico Oil Conservation Commission by Order No. R-2426 dated February 13, 1963, established temporary rules for the Fowler Paddock Gas Pool to provide for 320-acre spacing units. In order to comply with the spacing rules and to economically develop our leases, we propose to pool the W/2 of Section 23, Township 24 South, Range 37 East, and attribute this acreage to the Plains Knight Well No. 3 for Fowler Paddock Gas production. The tracts involved in this pooling are the Plains-Knight, Bertha and Lillie leases and according to our records, you own a royalty interest in one or more of these leases.

The pooling of acreage to form a gas unit does not impose a loss or penalty on any party therein since the unit well will be permitted to produce an allowable based on the acreage attributed. In other words, a well with 320 acres attributed is allowed to produce twice as much gas as a well which has only 160 acres attributed, and the royalty owners share in the gas production on the basis of acreage in which they have an interest.

Attached hereto are two copies of an Authorization for Gas Pooling and it is requested, if you approve, that one copy be executed and returned in the self-addressed stamped envelope. Also attached is an instruction sheet for executing and acknowledging the paper. In view of the fact that the effective date of the spacing order is March 1, 1963, it is requested that you execute and return the Authorization as soon as possible, for this will tend to minimize the effect of gas drainage from the surrounding Paddock gas wells.

Although the New Mexico Oil Conservation Commission is authorized by law to force-pool royalty interests for good cause being shown, they require that each royalty owner first be given the opportunity to voluntarily enter into a pooling unit in order that the objections, if any, may be considered. Most likely it will be necessary to resort to force-pooling in this case for the reason that the addresses of some royalty owners cannot be ascertained.

Should you have any questions concerning this matter, please advise.

Yours very truly,

M. I. Taylor
M. I. Taylor

Case No. 2916
Exhibit No. 2
October 16, 1963
Gulf Oil Corporation

GULF Attachments
JHH:sz

June 10, 1963

REGISTERED MAIL
RETURN RECEIPT REQUESTED

Mr. R. S. May
c/o Trust Department
First National Bank & Trust Company
Post Office Box 1198
Oklahoma City, Oklahoma

Re: Pooling of Acreage to Form a Standard
320-Acre Gas Proration Unit, W/2 Sec-
tion 23, Township 24 South, Range 37
East, Fowler Paddock Gas Pool, Lea
County, New Mexico

Dear Mr. May:

On March 4, 1963, we transmitted two copies of an Authorization for Gas Pooling covering the subject acreage, requesting if you approve that one copy be executed and returned in the self-addressed stamped envelope.

For your information, there are twenty-four royalty owners in the Plains Knight and Lillie Leases which were contacted and to date eighteen have approved the pooling with no objections received.

Since we have not received a reply, this letter is to inquire if you have any questions concerning this pooling. We would appreciate receiving a reply from you so that your objections, if any, may be considered in the event force pooling is necessary.

Yours very truly,

ORIGINAL SIGNED BY
R. H. FLUKER

M. I. Taylor

JHH:ers

Case No. 2916
Exhibit No. 3
October 16, 1963
Gulf Oil Corporation

June 10, 1963

REGISTERED MAIL
RETURN RECEIPT REQUESTED

Ms. Bertha Mae McClure
c/o First National Bank
Midland, Texas

Re: Pooling of Acreage to Form a Standard
320-Acre Gas Proration Unit, W/2 Sec-
tion 23, Township 24 South, Range 37
East, Fowler Paddock Gas Pool, Lea
County, New Mexico

Dear Ms. McClure:

On March 4, 1963, we transmitted two copies of an Authorization for Gas Pooling covering the subject acreage, requesting if you approve that one copy be executed and returned in the self-addressed stamped envelope.

For your information, there are twenty-four royalty owners in the Plains Knight and Lillie Leases which were contacted and to date eighteen have approved the pooling with no objections received.

Since we have not received a reply, this letter is to inquire if you have any questions concerning this pooling. We would appreciate receiving a reply from you so that your objections, if any, may be considered in the event force pooling is necessary.

Yours very truly,

ORIGINAL SIGNED BY
R. H. FLUKER

M. J. Taylor

JHH:ers

Case No. 2916
Exhibit No. 4
October 16, 1963
Gulf Oil Corporation

177
JHH
CEM
FVM
JCG
VAM
DGS
FILE

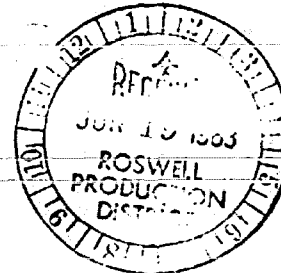
LEONARD HOWELL

ATTORNEY AT LAW

P. O. BOX 722

MIDLAND, TEXAS

June 18, 1963



PH. MU 4.4083

Re: Your proposed pooling of
W/2 Section 23, T-24-S,
Range 37 E, Fowler Paddock Gas
Pool, Lea County, N.M.,
interest of Bertha Mae McClure.

Mr. M. I. Taylor, District Production Manager
Gulf Oil Corporation
P. O. Drawer 1938
Roswell, New Mexico

Dear Sir:

Mrs. Bertha Mae McClure has handed me your letter to her dated June 10th; I have also looked over your proposed pooling contract.

Mrs. McClure and I have agreed on the proposition that she stands to gain nothing by your proposal, and your proposition could cause her to stand a loss because of her having to share her already meagre income from production with adjacent acreage owners.

If you have other ideas about this, please let me hear from you.

Yours truly,

Leonard Howell
Leonard Howell

c.c.-Mrs. Bertha Mae McClure
6735 Hardesty
Ft. Worth 18, Texas

Case No. 2916
Exhibit No. 5
October 16, 1963
Gulf Oil Corporation

return to JPH

June 27, 1963

Mr. Leonard Howell
Post Office Box 722
Midland, Texas

Re: Proposed Pooling of W/2 Section 23,
Township 24 South, Range 37 East,
Fowler Paddock Gas Pool, Lea County,
New Mexico, Interest of Bertha Mae
McClure

Dear Mr. Howell:

Receipt is acknowledged of your letter of June 18, 1963, concerning the subject pooling.

In our opinion Mrs. McClure will not realize any loss of income as the result of her signing the proposed authorization for gas pooling because her correlative rights to receive approximately 5 per cent of 160 acres of gas remain unchanged if she is allowed to receive approximately 2-1/2 per cent of 320 acres of gas allowable. As a matter of information, the Plains Knight Well No. 3 is capable of producing 1,226 MCF per day with a tubing pressure of 1,017 psig and can easily produce a 320-acre allowable.

Gulf has previously advised your client that the New Mexico Oil Conservation Commission by Order No. R-2426, dated February 13, 1963, established 320-acre spacing in the Fowler Paddock Gas Pool. In other words, they provided after hearing evidence concerning the reservoir's producing characteristics that each gas well is capable of draining an area of at least 320 acres. As a result of this Order, an offset operator to Gulf has a gas well which is a diagonal northwest offset to the Plains Knight Lease to which 320 acres are presently attributed. This well is allowed to produce two times as much gas as the Plains Knight Well No. 3 because the acreage dedicated to it is 320 while the Plains Knight well has only 160. Our Lillie Lease, which is directly offset by this 320-acre well is presently being drained. Unless an unnecessary well is drilled on this 160 acres or unless it is pooled with the lease in which Mrs. McClure is interested, there will be a substantial monetary loss as a result of this drainage. To prevent the occurrence of this harsh situation, the New Mexico Laws provide for the force pooling of oil and gas interests in the interest of prevention of waste and protection of correlative rights. It is our Company's policy and also a requirement of the Oil Commission to seek voluntary pooling and exhaust all efforts thereto before obtaining force pooling.

Case No. 2916
Exhibit No. 6
October 16, 1963
Gulf Oil Corporation

Mr. Leonard Horrell

- 2 -

June 27, 1963

In conclusion, therefore, we respectfully suggest that you and Mrs. McClure reconsider this matter from the standpoint that while it will probably not result in any particular gain to her under the circumstances outlined, every precaution is exercised to protect her from incurring any loss. Further than this, we feel that Gulf and the royalty owners under the Lillie Lease have strong equities which will most likely be protected if we are required to seek force pooling of Mrs. McClure's interest.

Yours very truly,

GULF OIL CORPORATION

Original Signed
W. B. HOPKINS

W. B. Hopkins

JEH:ers

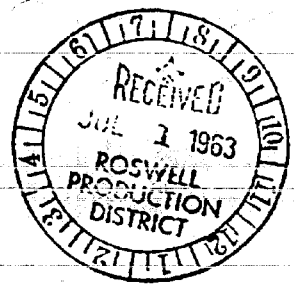
cc: Mrs. Bertha Mae McClure
6735 Hamlet
Fort Worth 18, Texas

Handwritten:
JH
C/A

6-11-63
M-17 - Presume next slip is to force record.
H

PH. MU 4-4083

LEONARD HOWELL
ATTORNEY AT LAW
P. O. BOX 722
MIDLAND, TEXAS
June 29, 1963



Re: Proposed Pooling, W/2 Sect. 23, T-24-S,
Range 37 E., Fowler Paddock Gas Pool,
Lea County, N.M., Bertha Mae McClure's
interest, and your letter of 6/27/63.

Mr. W. B. Hopkins, District Manager
Gulf Oil Corporation
P. O. Drawer 1938, Roswell, New Mexico

Dear Mr. Hopkins:

Thank you for your letter of June 27th, in which you relate that
Mrs. McClure would not lose income as a result of her signing the proposed
gas pooling contract you mailed to her, and that she would also gain nothing
thereby.

I presume that your company will gain something by her signing such
contract, or else you wouldn't be so persistent; if it is worth \$2,500.00
to your company for her to sign such agreement, please forward your draft
for such amount made payable to Mrs. McClure and I will see that it is
properly executed and returned to you.

20 /
H Also, Mrs. McClure told me this morning that Gulf has failed to
send her gas royalty for the months of May and June, 1963, on her interest;
she wants to know if Gulf has abandoned the lease. Please answer at once.

Yours very truly,
Leonard Howell
Leonard Howell

c.c.-Mrs. Bertha Mae McClure
6735 Hardesty
Fort Worth 18, Texas

Case No. 2916
Exhibit No. 2
October 16, 1963
Gulf Oil Corporation

File

July 2, 1963

Mr. Leonard Howell
Attorney at Law
P. O. Box 722
Midland, Texas

Re: Proposed Pooling, W/2 Section 23,
Township 24 South, Range 37 East,
Fowler Paddock Gas Pool, Lea County,
New Mexico (Bertha Mae McClure's
interest).

Dear Mr. Howell:

In your letter of June 29, 1963 you have stated that Mrs. McClure has not yet received her gas royalty check from Gulf for the months of May and June, 1963, covering her interest and she has asked if Gulf has abandoned the lease. It seems to be apparent from our correspondence with you and your client that Gulf has absolutely no intention to abandon this lease. I can assure you that Mrs. McClure's interest has not been placed in suspense nor has anything else been done which would interrupt her regular receipt of monthly payments. Mrs. McClure should have told you that payment for the gas sold in May would not ordinarily be made until sometime during the month of July and that payment for the June sales would not be made until after the first of August.

In regard to Mrs. McClure's signing a Consent to the Gas Pooling Agreement, we were simply trying in good faith to obtain her voluntary consent, and since under the circumstances this appears to be impossible we shall in due course proceed with a force pooling application.

Very truly yours,
Original Signed
W. B. HOPKINS

W. B. Hopkins

WVK:cj1

Case No. 2916
Exhibit No. 8
October 16, 1963
Gulf Oil Corporation

EL PASO NATURAL GAS COMPANY
MULTI-POINT BACK PRESSURE TEST FOR GAS WELLS

Pool Fowler Formation Paddock County Lea
Initial Annual Special X Date of Test 6-10/6-14-63
Company Gulf Oil Corporation Lease Plains Knight Well No. 3
Unit L Sec. 23 Twp. 24 Rge. 37 Purchaser El Paso Natural Gas Company
Casing 5 1/2 Wt. 4801 I.D. 4805 Set at 7657 Perf. 4839 To 4845
Tubing 2 Wt. 4801 I.D. 4805 Set at 7657 Perf. 4839 To 4845
Gas Pay: From 4801 To 4870 I.D. 4805 x .688 = GL. 3306 Bar. Press. 13.2
Producing thru: Casing X Tubing X Type Well Single
Date of completion: April 24, 1962
Well was recently acidized.
Single-Bradenhead-G. G. or G. G. Dual

No.	Casing Size	Casing Orifice Size	Flow Data			Tubing Data		Casing Data		Duration of flow hr.
			Press. psia	Flow Rate	Temp. °F.	Press. psia	Temp. °F.	Press. psia	Temp. °F.	
1.	4 x 1.250		522	30.25	56	1499				72
2.	4 x 1.250		537	36.00	56	1017				24
3.	4 x 1.250		546	42.25	60	956		Peaker		24
4.	4 x 1.250		550	54.76	64	874		Peaker		24
5.						770		Peaker		24

No.	Coefficient (24-hour)		Pressure psia	Flow Temp. Factor Ft	Gravity Factor F _g	Compress. Factor F _{pv}	Rate of Flow Q-MCFPD @ 15.025 psia
	9.643	√ hwpw					
1.	9.643	127.24		1.0039	.9339	1.065	1,226
2.	9.643	140.74		1.0039	.9339	1.065	1,356
3.	9.643	153.71		1.000	.9339	1.054	1,472
4.	9.643	175.62		.9962	.9339	1.068	1,631

Gas Liquid Hydrocarbon Ratio Dry
Gravity of Liquid Hydrocarbons 9.935 (1-e-s) .203 Mod/abl. deg.

Specific Gravity Separator Gas 1512.2
Specific Gravity Flowing Fluid 1512.2

No.	P _t (psia)	P ₂	P ₂ -P ₁	F _{co}	(F _{co}) ²	(F _{co}) ² (1-e-s)	P _w	P ₂ -P _w
1.	1030.2	1061.3	123.4	12.18	148.3	30.10	1091.4	1123.3
2.	969.2	939.3	1347.4	13.47	181.4	35.82	976.1	1310.6
3.	887.2	787.1	1499.6	14.62	213.7	43.33	830.5	1456.2
4.	783.2	613.4	1573.3	16.70	278.9	56.62	670.1	1616.6

Wellhead Potential: 2,300
Abs. Potential: 2,300 MCFPD: 45° n: 1.000
MCFPD: 45° n: 1.000
Conducted by: Jack O. Brilinger
Witnessed by: Jack O. Brilinger
Calculated by: Jack O. Brilinger

Case No. 2916
Exhibit No. 9
October 16, 1963
Gulf Oil Corporation

DOCKET: REGULAR HEARING - WEDNESDAY, OCTOBER 16, 1963

OIL CONSERVATION COMMISSION - 9 A.M., - HOBBS HIGH SCHOOL AUDITORIUM, 1300 EAST
SCHARBAUER, HOBBS, NEW MEXICO

ALLOWABLE:

- (1) Consideration of the oil allowable for November, 1963.
- (2) Consideration of the allowable production of gas for November, 1963, from ten prorated pools in Lea and Eddy Counties, New Mexico, also consideration of the allowable production of gas from nine prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico, for November, 1963.

CASE 2916:

Application of Gulf Oil Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order force-pooling all mineral interests in the Fowler Paddock Gas Pool underlying the W/2 of Section 23, Township 24 South, Range 37 East, Lea County, New Mexico.

CASE 2917:

Application of Jake L. Hamon for a gas well-salt water disposal dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete his Northeast Lynch Unit Well No. 1, located in Unit H of Section 17, Township 20 South, Range 35 East, Lea County, New Mexico, to produce hydrocarbons from an undesignated Pennsylvanian gas pool and to dispose of produced salt water through the annulus between the surface and intermediate casing strings into the open hole interval from 894 to 4000 feet.

CASE 2918:

Application of Humble Oil & Refining Company for the creation of a new pool and for tubing exceptions therein, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new oil pool for Gallup production comprising all of Sections 7 and 18, Township 28 North, Range 14 West; all of Sections 10 through 13, and N/2 and SE/4 of Section 14, Township 28 North, Range 15 West; all of Sections 7 and 8, SW/4 of Section 15, all of Sections 16 through 22, SW/4 of Section 23, SW/4 of Section 25, all of Sections 26 through 30, N/2 and SE/4 of Section 32, and all of Sections 33 through 36, Township 29 North, Range 15 West; All of Sections 11 through 14 and all of Section 24, Township 29 North, Range 16 West. Applicant further seeks an exception to Rule 107(d)1 of the Commission Rules and Regulations to permit all oil wells completed in said pool to be flowed through production casing without tubing for as long as said wells are capable of natural flow. (This case will be continued to November 13, 1963.)

CASE 2919:

In the matter of the application of the Oil Conservation Commission of New Mexico upon its own motion for an order for the creation of new pools in Eddy and Lea Counties, New Mexico, the extension of vertical limits and change of pool name to a certain existing pool in Eddy County, New Mexico and extension of certain existing pools in Eddy, Lea, and Roosevelt Counties, New Mexico and giving notice to all persons and parties interested in the subject matter thereof to appear and show cause why such creations, extensions of vertical limits, change of pool name, and extensions should not be made.

- (a) Create a new pool in Eddy County, New Mexico, classified as an oil pool for Cisco production, designated as the Cedar Lake-Cisco Pool, and described as:

TOWNSHIP 17 SOUTH, RANGE 31 EAST, NMPM
SECTION 30: SW/4

- (b) Create a new pool in Lea County, New Mexico, classified as a gas pool for Pennsylvanian production, designated as the Leach-Pennsylvanian Gas Pool, and described as:

TOWNSHIP 20 SOUTH, RANGE 35 EAST, NMPM
SECTION 17: NE/4

- (c) Extend the North Benson-Queen-Grayburg Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 30 EAST, NMPM
SECTION 28: N/2 S/2

- (d) Extend the Corral Canyon-Delaware Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 25 SOUTH, RANGE 30 EAST, NMPM
SECTION 17: W/2 NE/4

- (e) Extend the Goodwin-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 37 EAST, NMPM
SECTION 31: NW/4

- (f) Extend the West Henshaw-Grayburg Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 30 EAST, NMPM
SECTION 2: Lot 5

- (g) Extend the Jackson-Abo Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM
SECTION 22: NE/4 SW/4

- (h) Extend the North Justis-Montoya Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM
SECTION 2: NE/4

(i) Extend the vertical limits of the South Lea-Grayburg Pool in Eddy County, New Mexico, to include the Queen formation and change the pool name from South Leo-Grayburg Pool to the South Leo ~~Queen~~-Grayburg Pool.

(j) Extend the Loco Hills Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM
SECTION 19: NE/4 NW/4

(k) Extend the Lusk-Strawn Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 31 EAST, NMPM
SECTION 25: NE/4

(l) Extend the Maljamar-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 32 EAST, NMPM
SECTION 22: NW/4

(m) Extend the Mesa-Queen Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 32 EAST, NMPM
SECTION 16: SW/4

(n) Extend the North Mescalero-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 10 SOUTH, RANGE 32 EAST, NMPM
SECTION 11: SE/4

(o) Extend the East Millman Queen-Grayburg Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM
SECTION 21: E/2 SE/4

(p) Extend the Milnesand-San Andres Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 35 EAST, NMPM
SECTION 6: S/2

(q) Extend the West Milnesand-San Andres Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 34 EAST, NMPM
SECTION 21: NW/4

(z) Extend the Weir-Blinebry Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM
SECTION 9: E/2 SE/4

(aa) Extend the West Wilson-Yates Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 34 EAST, NMPM
SECTION 3: S/2
SECTION 4: SE/4

CASE 290:

Northwest New Mexico nomenclature case calling for the creation and extension of certain pools in San Juan and Rio Arriba Counties, New Mexico, and for the designation and redesignation of certain vertical limits.

(a) Redesignate the Rattlesnake-Pennsylvanian Oil Pool, San Juan County, as the Rattlesnake-Pennsylvanian "CD" Oil Pool, and define the vertical limits to be from the depth correlative to the point depicted at 5534 feet on log of the Continental Rattlesnake Well No. 136, located in Unit J of Section 2, Township 29 North, Range 19 West, to the depth correlative to the point depicted at 6827 feet on said log.

(b) Create the Rattlesnake-Pennsylvanian "B" Gas Pool in Township 29 North, Range 19 West, San Juan County, and to define the vertical limits to be identical to the zone from 6404 feet to 6554 feet in the above-described Continental Rattlesnake Well No. 136. Horizontal limits to be described as:

TOWNSHIP 29 NORTH, RANGE 19 WEST, NMPM
SECTION 2: S/2
SECTION 11: N/2

(c) Redesignate the Puerto Chiquito-Gallup Oil Pool, Rio Arriba County, as the Puerto Chiquito-Mancos Oil Pool and define the vertical limits to be from the depth correlative to the point depicted at 1997 feet on the log of the Intex Hijo Well No. 1, located in Unit F of Section 5, Township 26 North, Range 1 East, to the depth correlative to the point depicted at 3143 feet on said log. (From the top of the Niobrara Member of the Mancos Shale to the base of the Greenhorn formation).

(d) Extend the Boulder-Mancos Oil Pool boundary in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 28 NORTH, RANGE 1 WEST, NMPM
SECTION 27: N/2 SE/4

(e) Extend the Devils Fork-Gallup Pool boundary in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 24 NORTH, RANGE 6 WEST, NMPM
SECTION 9: E/2 NW/4, W/2 NE/4 & E/2 SE/4

(i) Extend the vertical limits of the South Lea-Grayburg Pool in Eddy County, New Mexico, to include the Queen formation and change the pool name from South Leo-Grayburg Pool to the South Leo ~~Queen~~-Grayburg Pool.

(j) Extend the Loco Hills Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM
SECTION 19: NE/4 NW/4

(k) Extend the Lusk-Strawn Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 31 EAST, NMPM
SECTION 25: NE/4

(l) Extend the Maljamar-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 32 EAST, NMPM
SECTION 22: NW/4

(m) Extend the Mesa-Queen Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 32 EAST, NMPM
SECTION 16: SW/4

(n) Extend the North Mescalero-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 10 SOUTH, RANGE 32 EAST, NMPM
SECTION 11: SE/4

(o) Extend the East Millman Queen-Grayburg Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM
SECTION 21: E/2 SE/4

(p) Extend the Milnesand-San Andres Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 35 EAST, NMPM
SECTION 6: S/2

(q) Extend the West Milnesand-San Andres Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 34 EAST, NMPM
SECTION 21: NW/4

(r) Extend the Oil Center-Blinbry Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM
SECTION 3: Lots 14 and 15

(s) Extend the Paddock Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM
SECTION 25: NE/4

(t) Extend the East Red Lake Queen-Grayburg Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM
SECTION 1: SW/4 SW/4

(u) Extend the Shugart Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM
SECTION 19: S/2

(v) Extend the West Teas-Yates Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 33 EAST, NMPM
SECTION 9: S/2 SW/4

(w) Extend the Vacuum-Abe Reef Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM
SECTION 27: S/2 SW/4
SECTION 33: S/2 NE/4

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM
SECTION 11: SE/4

(x) Extend the Vacuum-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM
SECTION 36: NE/4

(y) Extend the Vacuum-Woffcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM
SECTION 31: S/2 & NE/4

(z) Extend the Weir-Blinebry Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM
SECTION 9: E/2 SE/4

(aa) Extend the West Wilson-Yates Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 34 EAST, NMPM
SECTION 3: S/2
SECTION 4: SE/4

CASE 2900:

Northwest New Mexico nomenclature case calling for the creation and extension of certain pools in San Juan and Rio Arriba Counties, New Mexico, and for the designation and redesignation of certain vertical limits.

(a) Redesignate the Rattlesnake-Pennsylvanian Oil Pool, San Juan County, as the Rattlesnake-Pennsylvanian "CD" Oil Pool, and define the vertical limits to be from the depth correlative to the point depicted at 5554 feet on log of the Continental Rattlesnake Well No. 136, located in Unit J of Section 2, Township 29 North, Range 19 West, to the depth correlative to the point depicted at 6827 feet on said log.

(b) Create the Rattlesnake-Pennsylvanian "B" Gas Pool in Township 29 North, Range 19 west, San Juan County, and to define the vertical limits to be identical to the zone from 6404 feet to 6554 feet in the above-described Continental Rattlesnake Well No. 136. Horizontal limits to be described as:

TOWNSHIP 29 NORTH, RANGE 19 WEST, NMPM
SECTION 2: S/2
SECTION 11: N/2

(c) Redesignate the Puerto Chiquito-Gallup Oil Pool, Rio Arriba County, as the Puerto Chiquito-Mancos Oil Pool and define the vertical limits to be from the depth correlative to the point depicted at 1997 feet on the log of the Intex Hijo Well No. 1, located in Unit F of Section 5, Township 26 North, Range 1 East, to the depth correlative to the point depicted at 3143 feet on said log. (From the top of the Niobrara Member of the Mancos Shale to the base of the Greenhorn formation).

(d) Extend the Boulder-Mancos Oil Pool boundary in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 28 NORTH, RANGE 1 WEST, NMPM
SECTION 27: N/2 SE/4

(e) Extend the Devils Fork-Gallup Pool boundary in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 24 NORTH, RANGE 6 WEST, NMPM
SECTION 9: E/2 NW/4, W/2 NE/4 & E/2 SE/4

(f) Extend the Many Rocks-Gallup Oil Pool boundary in San Juan County, New Mexico, to include therein:

TOWNSHIP 31 NORTH, RANGE 16 WEST, NMPM
SECTION 17: NE/4 SW/4, N/2 SE/4 & SE/4 SE/4

TOWNSHIP 32 NORTH, RANGE 17 WEST, NMPM
SECTION 26: W/2 SW/4
SECTION 35: NW/4 SE/4

(g) Extend the Otero-Gallup Oil Pool boundary in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 24 NORTH, RANGE 5 WEST, NMPM
SECTION 16: SE/4
SECTION 21: NE/4
SECTION 22: SW/4 NW/4

(h) Extend the Totah-Gallup Oil Pool boundary in San Juan County, New Mexico, to include therein:

TOWNSHIP 28 NORTH, RANGE 12 WEST, NMPM
SECTION 18: S/2 NE/4

112-296

Gulf Oil Corporation

ROSWELL PRODUCTION DISTRICT

September 23, 1963

1963 SEP 25 AM 8:48 1963
Roswell, New Mexico

W. B. Hopkins
DISTRICT MANAGER
M. L. Taylor
DISTRICT PRODUCTION
MANAGER
F. O. Mortlock
DISTRICT EXPLORATION
MANAGER
H. A. Rankin
DISTRICT SERVICES MANAGER

Oil Conservation Commission
State of New Mexico
Post Office Box 871
Santa Fe, New Mexico 87501

Re: Application of Gulf Oil Corporation
for Compulsory Pooling of Mineral
Interests Underlying the W/2 Section 23,
Township 24 South, Range 37 East, Fowler
Paddock Gas Pool, Lea County, New Mexico,
to Form a 320-Acre Standard Gas Proration
Unit

Gentlemen:

Gulf Oil Corporation respectfully requests that an Examiner Hearing be scheduled to consider the subject application. In support of this application, the following facts are submitted:

- (1) The Oil Conservation Commission by Order R-2426 dated February 13, 1963, established temporary rules for the Fowler Paddock Gas Pool providing for 320-acre spacing to be effective March 1, 1963.
- (2) Applicant's Plains Knight Well No. 3, located 760 feet from the west line and 1980 feet from the south line of Section 23, was completed in the Fowler Paddock Gas Pool prior to the issuance of Order R-2426 and has attributed to it the SW/4 of Section 23. This well is capable of producing an allowable for 320 acres.
- (3) In order to protect applicant's Lillie Lease covering the NW/4 of Section 23, all royalty interests in the W/2 of Section 23 whose whereabouts were known, were contacted to obtain their approval for pooling the NW/4 and SW/4 to form a 320-acre standard unit.
- (4) All royalty interests have approved except the following: Bertha May McClure, 6735 Hardesty, Fort Worth, Texas 76118, who has a 5.4688 per cent interest in the SW/4 of Section 23; R. S. May, c/o Trust Department, First National Bank & Trust Company, Post Office Box 1198, Oklahoma City, Oklahoma 73100, who has a .0854 per cent interest in the NW/4 of Section 23; Warren M. Snyder, address unknown, who has a .3906 per cent interest in the NW/4 of Section 23.



DOCKET MAILED

Date 10-7-63

DR

Oil Conservation Commission

- 2 -

September 23, 1963

In the interest of protection of correlative rights and prevention of waste, Gulf Oil Corporation requests the compulsory pooling of the above listed royalty interests in the Fowler Paddock Gas Pool.

Respectfully submitted,

GULF OIL CORPORATION

M. I. Taylor

M. I. Taylor

JHH:ers

cc: New Mexico Oil Conservation Commission
Post Office Box 1980
Hobbs, New Mexico 88240

Date 10-7-63

JK

Ms. Bertha May McClure
6735 Hardesty
Fort Worth, Texas 76118

Mr. R. S. May
c/o Trust Department
First National Bank & Trust Company
Post Office Box 1198
Oklahoma City, Oklahoma 73100

GOVERNOR
JACK M. CAMPBELL
CHAIRMAN

State of New Mexico

Oil Conservation Commission



LAND COMMISSIONER
L. B. JENNIFER WALKER
MEMBER

P. O. BOX 871
SANTA FE

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

October 30, 1963

Mr. Bill Kastler
Gulf Oil Corporation
P. O. Drawer 1938
Roswell, New Mexico

Re: Case No. 2916
Order No. R-2582
Applicant:

Gulf Oil Corporation

Dear Sir:

①
Enclosed herewith are two copies of the above-referenced
Commission order recently entered in the subject case.

Very truly yours,

A. L. Porter, Jr.

A. L. PORTER, JR.
Secretary-Director

ix/

Carbon copy of order also sent to:

Hobbs OCC x

Artesia OCC

Astec OCC

OTHER Bertha May McClure

R. S. May

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 2916
Order No. R-2592

APPLICATION OF GULF OIL CORPORATION
FOR COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on October 16, 1963, at Hobbs, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 30th day of October, 1963, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Gulf Oil Corporation, seeks an order pooling all mineral interests in the Fowler-Paddock Gas Pool underlying the W/2 of Section 23, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That the applicant has the right to drill and has drilled its Plains Knight well no. 3 in Unit I of said Section 23 and that said well is producing from the Fowler-Paddock Gas Pool.

(4) That there are royalty interest owners in the proposed proration unit who have not agreed to pool their interests.

(5) That to avoid the drilling of unnecessary wells, to protect correlative rights, and to afford to the owner of each interest in said proration unit the opportunity to recover or receive without unnecessary expense his just and fair share of the gas in the Fowler-Paddock Gas Pool, the subject application should be approved by pooling all mineral interests, whatever they may be, within said unit.

-2-
CASE No. 2916
Order No. R-2592

(6) That the applicant should be designated the operator of the subject well and unit.

IT IS THEREFORE ORDERED:

(1) That all mineral interests, whatever they may be, in the Fowler-Paddock Gas Pool, underlying the W/2 of Section 23, Township 24 South, Range 17 East, NMPM, Lea County, New Mexico, are hereby pooled to form a 320-acre gas production unit to be dedicated to the Gulf Oil Corporation Plains Knight Well No. 3, located in Unit L of said Section 23.

(2) That Gulf Oil Corporation is hereby designated the operator of the subject well and unit.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

Done at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Jack M. Campbell
JACK M. CAMPBELL, Chairman

E. S. Walker
E. S. WALKER, Member
A. L. Porter, Jr.
A. L. PORTER, Jr., Member & Secretary

esr/

DRAFT

JMD/esr

October 28, 1963

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 2916

Order No. R-2592

APPLICATION OF GULF OIL CORPORATION
FOR COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

Hobbs.

This cause came on for hearing at 9 o'clock a.m. on
October 16 1963, at ~~SAN JUAN~~ New Mexico, before the Oil Conser-
vation Commission of New Mexico, hereinafter referred to as the
"Commission."

Now, on this _____ day of October, 1963, the Commission,
a quorum being present, having considered the testimony presented
and the exhibits received at said hearing, and being fully advised
in the premises,

FINDS:

(1) That due public notice having been given as required by
law, the Commission has jurisdiction of this cause and the subject
matter thereof.

(2) That the applicant, Gulf Oil Corporation, seeks an
order pooling all mineral interests in the Fowler-Paddock Gas
Pool underlying the W/2 of Section 23, Township 24 South, Range
37 East, NMPM, Lea County, New Mexico.

(3) That the applicant has the right to drill and has
drilled its Plains Knight Well No. 3 in Unit L of said Section
23 and that said well is producing from the Fowler-Paddock Gas
Pool.

(4) That there are royalty interest owners in the proposed
proration unit who have not agreed to pool their interests.

(5) That to avoid the drilling of unnecessary wells, to
protect correlative rights, and to afford to the owner of each
interest in said proration unit the opportunity to recover

or receive without unnecessary expense his just and fair share of the gas in the Fowler-Paddock Gas Pool, the subject application should be approved by pooling all mineral interests, whatever they may be, within said unit.

(6) That the applicant should be designated the operator of the subject well and unit.

IT IS THEREFORE ORDERED:

(1) That all mineral interests, whatever they may be, in the Fowler-Paddock Gas Pool, underlying the W/2 of Section 23, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico, are hereby pooled to form a 320-acre gas proration unit to be dedicated to the Gulf Oil Corporation Plains Knight Well No. 3, located in Unit L of said Section 23.

(2) That Gulf Oil Corporation is hereby designated the operator of the subject well and unit.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year herein-above designated.