



PETROLEUM AND ITS PRODUCTS

GULF OIL CORPORATION

P. O. DRAWER 669 • ROSWELL, NEW MEXICO

MAIN OFFICE OCC

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F. E. CURTIS, JR.
ZONE LANDMAN

December 4, 1956

FORT WORTH
PRODUCTION DIVISION

J. R. Holt (NCT-A) Jalmat
Gas Unit No. 1 - SW/4, W/2
SE/4 and SW/4 NE/4 Section
16-24S-37E, Lea County,
New Mexico.

Administrative Order NSP-222
Gulf J. R. Holt "A" Well
No. 2.

Oil Conservation Commission
Box 871
Santa Fe, New Mexico
Attention: Mr. A. L. Porter

Oil Conservation Commission
1200 West Broadway
Hobbs, New Mexico
Attention: Mr. R. F. Montgomery

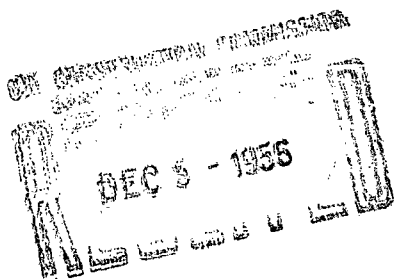
Gentlemen:

We enclose herewith, for your information and file, a photo-static copy of the gas pooling agreement between Gulf Oil Corporation and Continental Oil Company and Humble Oil & Refining Company, covering the above described tracts, approved by the Commissioner of Public Lands November 30, 1956.

Very truly yours,

F. E. CURTIS, JR.

SHC:mt
Enc.



GAS POOLING AGREEMENT

J. R. HOLT (NCT-A) JALMAT GAS UNIT NO. 1

THIS AGREEMENT made and entered into this 7th day of August, 1956, by and between GULF OIL CORPORATION, hereinafter called "Gulf" or "Operator," and CONTINENTAL OIL COMPANY and HUMBLE OIL & REFINING COMPANY, hereinafter called "Continental and Humble" or "Non-Operators," and STATE OF NEW MEXICO, hereinafter called "Mineral Owner"

WITNESSETH, that

WHEREAS, Gulf is the owner and holder of State of New Mexico Oil and Gas Lease No. B-243, dated September 10, 1931, from the State of New Mexico, as Lessor, to Gypsy Oil Company, as Lessee, covering, among other lands, the SE/4 SW/4, W/2 SE/4, and SW/4 NE/4 of Section 16, Township 24-South, Range 37-East, NMPM, Lea County, New Mexico, and

WHEREAS, Continental is the owner and holder of State of New Mexico Oil and Gas Lease No. B-2657, dated September 23, 1933, from the State of New Mexico, as Lessor, to Continental Oil Company, as Lessee, covering, among other lands, the SW/4 SW/4 of Section 16, Township 24-South, Range 37-East, NMPM, Lea County, New Mexico, and

WHEREAS, Humble is the owner and holder of State of New Mexico Oil and Gas Lease No. B-934, dated June 6, 1932, from the State of New Mexico, as Lessor, to Humble Oil & Refining Company, as Lessee, covering, among other lands, the N/2 SW/4 of Section 16, Township 24-South, Range 37-East, NMPM, Lea County, New Mexico, and

WHEREAS, it is the desire of Gulf and Continental and Humble that this Agreement cover the SW/4, W/2 SE/4, and SW/4 NE/4 of Section 16, Township 24-South, Range 37-East, NMPM, Lea County, New Mexico, as to dry gas and associated liquid hydrocarbons produced from a gas well, as defined by the New Mexico Oil Conservation Commission, within the vertical limits of the Jalmat Gas Pool, as defined in said Commission's Order No. R-520, dated August 12, 1954, said area hereinafter being referred to as the "Pooled Proration Unit" which shall be known as the J. R. Holt (NCT-A) Jalmat Gas Unit No. 1; and

WHEREAS, in order to comply with existing rules and regulations governing gas well spacing and gas proration units, and to acquire a gas allowable for the above described pooled proration unit, it is the desire of the parties hereto to pool all leasehold and royalty interests in order to form one tract or unit, and

WHEREAS, Gulf desires to operate the pooled proration unit as an entirety for the purpose of developing and producing dry gas and associated liquid hydrocarbons in accordance with the terms and provisions of this Agreement,

NOW, THEREFORE, in consideration of the premises and the mutual advantages offered by this Agreement, it is mutually covenanted and agreed by and between the parties hereto that the pooled proration unit shall be developed and operated by Gulf, its successors or assigns, for the production therefrom of dry gas and associated liquid hydrocarbons

as an entirety, with the understanding and agreement that the dry gas and associated liquid hydrocarbons from the pooled proration unit shall be allocated among the present or future owners of leasehold or royalty interests in the proportion that the acreage interest of each bears to the entire acreage interest committed hereto. There shall be no obligation on Gulf, or its successors or assigns, to offset any gas well or wells on separate component tracts into which such pooled proration unit is now or may hereafter be divided; nor shall Gulf, its successors or assigns be required to separately measure said dry gas or associated liquid hydrocarbons by reason of the diverse ownership of such production in and under said unit, but the Lessee shall not be released from the obligation to protect said unit from drainage by any gas well or wells which may be drilled offsetting the said unit. Payment of rentals under the terms of the leases hereinabove mentioned and described shall not be affected by this Agreement except as may be herein otherwise provided.

It is further agreed that the commencement, completion, continued operation or production of a well or wells for dry gas and associated liquid hydrocarbons on the pooled proration unit shall be construed and considered as the commencement, completion, continued operation or production from each and all of the lands within and comprising said pooled proration unit, and operations or production pursuant to this Agreement shall be deemed to be operations or production as to each lease committed hereto.

It is the intention of the parties hereto that this Agreement shall include and affect only dry gas and associated liquid hydrocarbons produced through a gas well or gas wells as defined by the New Mexico Oil Conservation Commission located on the pooled proration unit hereinabove described and shall not include or affect in any manner whatsoever any of the production of hydrocarbons from any oil well located on the pooled tracts or any of the production of hydrocarbons from other than the Jalmat Gas Pool as above defined.

It is further agreed that all production of dry gas and associated liquid hydrocarbons and disposal thereof shall be in conformity with allocations made or fixed by any duly authorized person or regulatory body under applicable Federal or State statute. The provisions of this Agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations which affect the performance of any of the provisions of this Agreement, 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 law, order, rule or regulation.

This Agreement shall be effective as of the date upon which the unit allowable established by the New Mexico Oil Conservation Commission first becomes effective and shall remain in force and effect for a period of one (1) year and so long thereafter as dry gas, with or without associated liquid hydrocarbons, is produced from any part of said pooled proration unit in paying quantities. It is further provided that after the expiration of said one-year period, should the unit well or wells be reclassified by the New Mexico Oil Conservation Commission, or should the pooled proration unit cease to produce gas in paying quantities from any cause, this Agreement shall not terminate, if within six (6) months after the date of any such reclassification or cessation of such production, Operator shall commence operations for the purpose of restoring gas production from the unit, in which event this Agreement shall remain in full force and effect during the period

such operations are being diligently prosecuted and so long thereafter as dry gas, with or without associated liquid hydrocarbons, is produced from said unit in paying quantities.

IN WITNESS WHEREOF, this instrument is executed in triplicate on the day and year herein first above written.

GULF OIL CORPORATION

By

H. L. [Signature]
Vice-President

Law	<u>[Signature]</u>
Compt.	
Exp.	
Prod.	

ATTEST:

By

[Signature]
Assistant Secretary

CONTINENTAL OIL COMPANY

By

[Signature]
[Illegible Title]

ATTEST:

By

[Signature]
[Illegible Title]

HUMBLE OIL & REFINING COMPANY

By

[Signature]
DIRECTOR IN CHARGE EXPLORATION DEPARTMENT

ATTEST:

By

[Signature]
Assistant Secretary

APPROVED	<u>[Signature]</u>
Prod.	
Exp.	
Compt.	

STATE OF TEXAS
COUNTY OF TARRANT } ss.

The foregoing instrument was acknowledged before me
this 7 day of August, 1956, by H. M. Bayer
Vice-President
of GULF OIL CORPORATION, a Pennsylvania corporation, on behalf
of said corporation.

M. B. Chipman M. B. Chipman
Notary Public

My Commission Expires:

June 1, 1957

STATE OF Texas
COUNTY OF Tarrant } ss.

The foregoing instrument was acknowledged before me
this 26th day of November, 1956, by G. F. Hamner
of CONTINENTAL OIL COMPANY, a Delaware corporation,
on behalf of said corporation.

Orville Buck Miller
Notary Public

My Commission Expires:

June 1, 1957

STATE OF TEXAS
COUNTY OF HARRIS } ss.

The foregoing instrument was acknowledged before me
this 15th day of November, 1956, by ED. J. HAMNER
DIRECTOR IN CHARGE EXPLORATION DEPARTMENT
of HUMBLE OIL & REFINING COMPANY, a TEXAS
corporation, on behalf of said corporation.

Lila Smith
Notary Public

My Commission Expires:

My Commission Expires June 1, 1957.

NOTARY PUBLIC IN AND FOR
HARRIS COUNTY, TEXAS

CERTIFICATE OF APPROVAL

BY COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

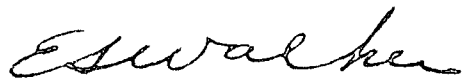
GULF'S J. R. HOLT "A" WELL NO. 2 COMMUNITIZATION

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, the attached Agreement for the development and operation of acreage which is described within the attached Agreement, dated August 7, 1956, which has been executed or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the state, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 7-11-39, 7-11-40, 7-11-41, 7-11-47, 7-11-48, New Mexico Statutes Annotated 1953 Compilation, I, the undersigned, Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes. This Communitization is dedicated to Gulf's J. R. Holt "A" Well No. 2.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 30th day of November 19 56.



Commissioner of Public Lands
of the State of New Mexico



NOV 30 1956
November 30, 1956

In reply refer to:
Unit Division

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

Re: Gulf's J. R. Holt "A" Well No. 2
Communitization -
SW/4, W/2 SE/4, SW/4 NE/4 of
Section 16-24S-37E,
Lea County, New Mexico

Attention: Mr. S. H. Cavin
Head, Contracts Unit

Gentlemen:

We are handing you herewith two copies of your Gulf's J. R. Holt "A" Well No. 2 Communitization Agreement, which was approved by the Commissioner of Public Lands on November 30, 1956.

You will observe that we have inserted a proviso in our certificate specifically stating that this Communitization is dedicated to Gulf's J. R. Holt "A" Well No. 2, as designated in Administrative Order NSP-222 of the New Mexico Oil Conservation Commission, since in one or two instances in your Communitization you have used the term gas well or wells.

We acknowledge payment in the amount of \$5.00, which covers your filing fee. Official Receipt will be mailed to you within a short time.

Very truly yours,

E. S. WALKER
Commissioner of Public Lands

ESW:MMR/m
enc: 2

cc: OCC-Santa Fe
OCC-Hobbs

100-100000-15

July 25, 1956

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

Re: J. R. Holt "A" Well No. 2
Sec. 16-24S-37E = SE/4 SW/4
Communitization

Attention: F. E. Curtis, Jr.
Zone Landman

Gentlemen:

We are aware that there is a great deal of detail and time involved in negotiations for a Communitization, however, in view of the fact that this 280-acre non-standard proration Unit was approved January 11, 1956, we feel you have had adequate time in which to submit a Communitization.

Therefore, if by August 1, 1956, we have not received a Communitization for this 280 acres, we will feel compelled to request the New Mexico Oil Conservation Commission to take proper action to reduce your allowable only to acreage contained within your lease No. B-243-1.

Very truly yours,

E. S. WALKER
Commissioner of Public Lands

MMR/m

cc: OCC-Santa Fe