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*1/18/56*



PETROLEUM AND ITS PRODUCTS

# GULF OIL CORPORATION

*NSP-232*  
*Jan 2/18/56*

MAIN OFFICE

RECEIVED

B. E. THOMPSON  
DIVISION PRODUCTION MANAGER

P.O. DRAWER 1290 · FORT WORTH 1, TEXAS

January 12, 1956

FORT WORTH  
PRODUCTION DIVISION

Re: Application for a 480-Acre Non-Standard Gas Proration Unit, Eumont Gas Pool, Comprising S/2 and S/2 N/2 of Section 9, T-19-S, R-37-E, Lea County, New Mexico

Oil Conservation Commission  
State of New Mexico  
Santa Fe, New Mexico

Gentlemen:

Gulf Oil Corporation hereby makes application for Administrative approval of a non-standard gas proration unit in the Eumont Gas Pool comprising the S/2 and the S/2 N/2 of Section 9, T-19-S, R-37-E, Lea County, New Mexico; and in support thereof states the following facts:

- (1) Gulf Oil Corporation is the owner and operator of oil and gas leases known as the F. W. Kutter "E" Lease described as the S/2 N/2 and N/2 S/2 (320-acres) and the Lea State "DZ" Lease described as the SE/4 SW/4 (40-acres) Section 9, T-19-S, R-37-E, Lea County, New Mexico. Humble Oil and Refining Company is the owner of the oil and gas lease covering the S/2 SE/4 (80-acres) and Southern Petroleum Exploration Company is the owner of the oil and gas lease covering the SW/4 SW/4 (40-acres) in Section 9, T-19-S, R-37-E, Lea County, New Mexico. These leases comprise the 480-acres described above.
- (2) The F. W. Kutter "E" Well No. 1 located 1980 feet from the West and South lines of Section 9, T-19-S, R-37-E, Lea County, New Mexico, was completed between 3718 feet to 3744 feet and 3752 feet to 3900 feet in the vertical limits of the Eumont Gas Pool. Applicant proposes to use this well as the Unit Well.
- (3) The proposed non-standard gas proration unit will meet the requirements of Rule 5(b) of the Oil Conservation Commission Order No. R-520 as follows:

*East 240 Ac  
outside of  
Eumont*

*will remain  
Communitarian  
with Humble,  
& South. Pet.  
& State*

*all ODEB  
State hand*

January 12, 1956

- (a) Contiguous quarter-quarter sections will comprise the unit.
- (b) The proposed unit lies wholly within a single governmental section.
- (c) All acreage within the proposed unit may reasonably be presumed productive of gas.
- (d) The length or width of the proposed unit does not exceed 5280 feet.
- (e) By copy of this letter of application all operators owning interests in the section in which the proposed unit is located and all operators within 1500 feet of the proposed unit well are notified by registered mail of the intent of Gulf Oil Corporation to form the proposed non-standard gas proration unit. (See attached affidavit.)

In view of the existence of the facts herein stated and compliance with the provisions of Rule 5(b) of the Oil Conservation Commission's Order No. R-520, Gulf Oil Corporation requests that the Secretary of the Commission approve the above described non-standard gas proration unit.

Respectfully submitted,

GULF OIL CORPORATION

By:   
Division Production Manager

cc: Registered Mail - Return Receipt Requested:

Southern Petroleum Exploration Company  
Roswell, New Mexico  
Attention: Mr. J. B. Headley

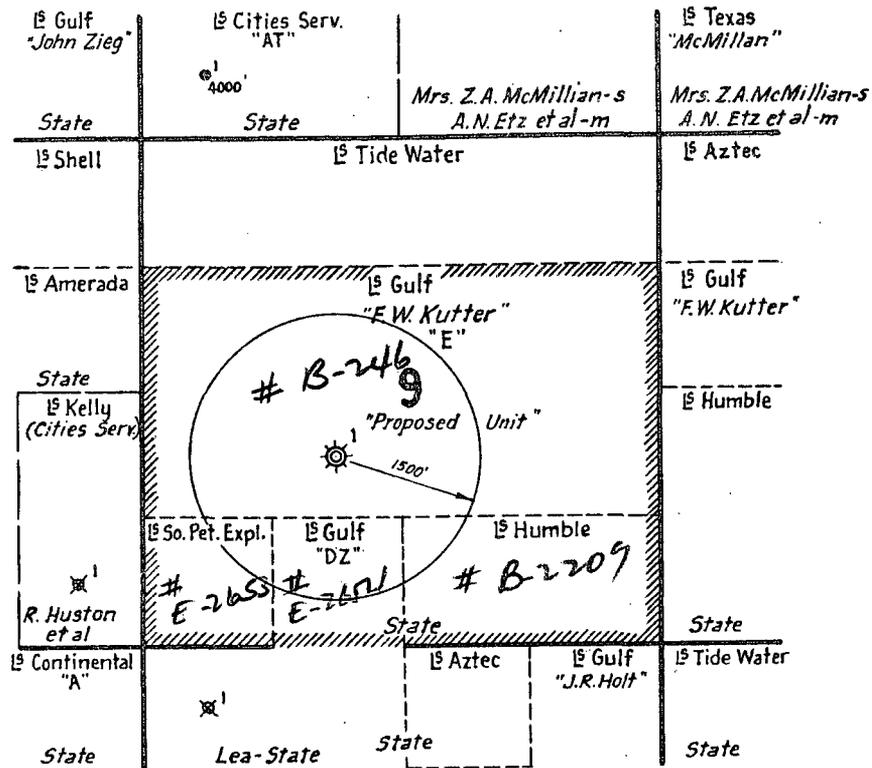
Humble Oil & Refining Company  
P. O. Box 1600  
Midland, Texas

Tidewater Associated Oil Co.  
P. O. Box 1404  
Houston, Texas

cc: Oil Conservation Commission  
P. O. Box 2045  
Hobbs, New Mexico

# R - 37 - E

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19  
S



GULF OIL CORPORATION  
 FORT WORTH PRODUCTION DIVISION  
 Scale 1" = 2,000'

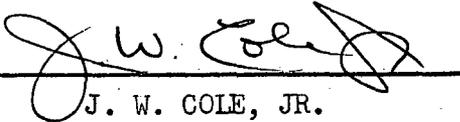
Plat Accompanying Application for  
 480-Acre Non-Standard Gas Unit  
 (Eumont Gas Pool)

Gulf - F. W. Kutter "E" Lease - 320-acres  
 Lea State "DZ" Lease 40-acres  
 Southern Petroleum - State Lease 40-acres  
 Humble - State Lease 80-acres

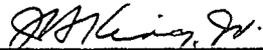
STATE OF TEXAS            |

COUNTY OF TARRANT       |

BEFORE ME, the undersigned authority, on this day personally appeared J. W. COLE, JR., ASST. DIVISION GAS ENGINEER of the Fort Worth Production Division of Gulf Oil Corporation, who, after being by me duly sworn, upon his oath states that, to the best of his knowledge, the statements contained in the foregoing Application of Gulf Oil Corporation, dated January 12, 1956, 1956, are true and correct and that copies of such Application were duly deposited on January 17, 1956, in the United States post office as registered mail, with all charges prepaid, addressed to each of the parties shown receiving carbon copies of such Application.

  
\_\_\_\_\_  
J. W. COLE, JR.

SUBSCRIBED AND SWORN to before me by the said J. W. COLE, JR. this 17<sup>th</sup> day of January, 1956, to certify which witness my hand and seal of office.

  
\_\_\_\_\_  
J. H. King, Jr.  
Notary Public in and for Tarrant  
County, Texas

My Commission Expires:

June 1, 1957

MAIN OFFICE OCC

RECEIVED 13 PM 2:24

GAS POOLING AGREEMENT

THIS AGREEMENT made and entered into the 24<sup>th</sup> day of February, 1956 by and between GULF OIL CORPORATION, hereinafter called "Gulf", SOUTHERN PETROLEUM EXPLORATION, INC., hereinafter called "Southern Petroleum" and HUMBLE OIL AND REFINING COMPANY, hereinafter called "Humble",

WITNESSETH, that

WHEREAS, Gulf is the owner and holder of State of New Mexico Oil and Gas Lease No. E-2654 dated May 10, 1949, from the State of New Mexico as Lessor, to Gulf Oil Corporation, as Lessee, covering the SE $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 9, Township 19 South, Range 37 East, N.M.P.M., Lea County, New Mexico; and

WHEREAS, Gulf is the owner and holder of State of New Mexico Oil and Gas Lease No. E-246 dated September 10, 1931, from the State of New Mexico as Lessor, to Gypsy Oil Company, as Lessee, covering, among other lands, the S $\frac{1}{2}$ N $\frac{1}{2}$  and the N $\frac{1}{2}$ S $\frac{1}{2}$  of Section 9, Township 19 South, Range 37 East, N.M.P.M., Lea County, New Mexico; and

WHEREAS, Southern Petroleum is the owner and holder of State of New Mexico Oil and Gas Lease No. E-2653 dated May 10, 1949, covering, among other lands, the SW $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 9, Township 19 South, Range 37 East, N.M.P.M., Lea County, New Mexico; and

WHEREAS, Humble is the owner and holder of State of New Mexico Oil and Gas Lease No. E-2209 dated November 7, 1933, covering, among other lands, the S $\frac{1}{2}$ SW $\frac{1}{4}$  of Section 9, Township 19 South, Range 37 East, N.M.P.M., Lea County, New Mexico; and

WHEREAS, it is the desire of Gulf, Southern Petroleum and Humble that this agreement cover the S $\frac{1}{2}$ N $\frac{1}{2}$  and S $\frac{1}{2}$  of Section 9, Township 19 South, Range 37 East, 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 Eusmont Gas Pool, as defined by the said Commission in Commission's Order No. R-520, said area being hereinafter referred to as the "Pooled Proration Unit", 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 such a 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 effect 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 the unit, but the lessees shall not be released from the obligation to protect said unit from drainage by any gas well or wells which may be drilled offsetting it. 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 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 Eucost Gas Pool.

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, the parties hereto have executed this agreement the day and year herein first above written.

GULF OIL CORPORATION

By H. M. Bayer  
Vice-President  
SOUTHERN PETROLEUM EXPLORATION, INC.

By J. B. Bradley  
Attorney-in-Fact  
HUMBLE OIL AND REFINING COMPANY

By Morgan J. Davis  
EXECUTIVE VICE PRESIDENT

APPROVED
Law
Acc't
Prob
Expi

ATTEST: M. M. Craig  
Asst. Secretary  
M. M. CRAIG

ATTEST: \_\_\_\_\_

ATTEST: J. B. Bradley  
ASSISTANT SECRETARY

STATE OF TEXAS  
COUNTY OF TARRANT } ss

The foregoing instrument was acknowledged before me this 24<sup>th</sup> day of February, 1956 by H. M. Bayer Vice-President of GULF OIL CORPORATION, a Pennsylvania corporation, on behalf of said corporation.

Eva Maria Cooper Notary Public  
Eva Maria Cooper

My commission expires: June 1, 1957

STATE OF New Mexico  
COUNTY OF Chaves } ss

The foregoing instrument was acknowledged before me this 7<sup>th</sup> day of December, 1956 by J. B. Bradley of SOUTHERN PETROLEUM EXPLORATION, INC., a corporation, on behalf of said corporation.

Corinne J. Wood

My commission expires: 1957

STATE OF TEXAS  
COUNTY OF HARRIS } ss

The foregoing instrument was acknowledged before me this 6<sup>th</sup> day of December, 1956 by MORGAN J. DAVIS EXECUTIVE VICE PRESIDENT of HUMBLE OIL AND REFINING COMPANY, a corporation, on behalf of said corporation.

Lilla Smith Notary Public  
LILLA SMITH  
NOTARY PUBLIC IN AND FOR HARRIS COUNTY, TEXAS

My Commission expires: June 1, 1957

CERTIFICATE OF APPROVAL

BY COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

GULF'S F. W. KUTTER "E" WELL NO. 1 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 February 24, 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.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 10th day of December 1956.

  
\_\_\_\_\_  
Commissioner of Public Lands  
of the State of New Mexico

ALL OFFICE OCC

1956 AUG 20 11 20

August 20, 1956

In reply refer to:  
Unit Division

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

Re: New Mexico Oil Conserva-  
tion Commission Order -  
NSP-232  
F. W. Kutter "E" Well No. 1,  
SE/4 NW/4, Sec. 9-19S-37E

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

Gentlemen:

May we call your attention to the above designated well and OCC Order NSP-232, which granted you approval for a 480-acre non-standard gas proration unit, and which was effective on your May allowable.

This office has not received a Communitization from you, which would cover your New Mexico State Lease B-246, Humble's State Lease B-2209, and Southern Petroleum Exploration's State Lease E-2653. May we hear from you immediately.

Very truly yours,

E. S. WALKER  
Commissioner of Public Lands

MMR/m  
cc: OCC

100-100  
100-100

December 10, 1956

In reply refer to:  
Unit Division

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

Re: Gulf's F. W. Kutter  
"E" Well No. 1  
Communitization -  
S/2 and S/2 N/2 of  
Sec. 9-195-37E,  
Lea County, N. Mex.

Attention: Mr. S. H. Cavin

Gentlemen:

We are handing you four copies of your Gulf's F. W. Kutter "E" Well No. 1 Communitization Agreement, which has been approved by the Commissioner of Public Lands on December 10, 1956. An additional copy of our Certificate of Approval is attached hereto.

Official Receipt in the amount of \$5.00 covering your filing fee will be mailed to you within a short time.

Very truly yours,

E. S. WALKER  
Commissioner of Public Lands

ESW:MMR/m  
enc: 5

cc: OCC-Santa Fe  
OCC-Hobbs