

H60 OCC

NSP 396

MAIN OFFICE OCC El Paso Natural Gas Company

Aug 10-18

1957 SEP 10 AM 9:36

El Paso, Texas

September 5, 1957

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This unit has already be granted under NSP 306

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

Attention: Mr. A. L. Porter, Jr.

Re: Application of El Paso Natural Gas Company for Administrative Approval of a 160 acre Non-Standard Gas Proration Unit in the Jalmat Gas Pool for its Harrison Federal #1 Well which is located in the NW/4 SW/4 of Section 27, Township 25 South, Range 37 East, N.M.P.M., Lea County, New Mexico

Gentlemen:

El Paso Natural Gas Company respectfully requests Administrative Approval under the provisions of Rule 5(b) of Order No. R-520 for a Non-Standard Gas Proration Unit of 160 acres, more or less, consisting of the SW/4 of Section 27, Township 25 South, Range 37 East, N.M.P.M., Jalmat Gas Pool, Lea County, New Mexico, and in support thereof states the following facts:

1. That R. Olsen completed the R. Olsen Harrison Federal #1 Well on December 13, 1955. That said well is located 1980 feet from the South line and 660 feet from the West line of Section 27, Township 25 South, Range 37 East, N.M.P.M. This well was drilled to a total depth of 3370 feet and was plugged back to 3110 feet and is now a gas well producing from the Jalmat Gas Pool. On December 12, 1955, this well tested 9,700 MCF per day absolute open flow.

2. That by Bill of Sale dated May 25, 1956, R. Olsen sold this well to El Paso Natural Gas Company.

3. That El Paso Natural Gas Company and Westates Petroleum Corporation hold the gas operating rights under the SW/4 of Section 27, Township 25 South, Range 37 East, N.M.P.M., and that by agreement dated as of May 25, 1956, they have communitized their interest insofar as it covers the formations lying between the top of the Tansill Formation down to a point 100 feet above the base of the Seven Rivers Formation and within the horizontal limits of the Jalmat Gas Pool in order to form a 160 acre unit consisting of the SW/4 of said Section 27. El Paso Natural Gas Company will be the Unit Operator.

4. That the proposed Non-Standard Gas Proration Unit will meet the requirements of Rule 5(b) of Order No. R-520 in that the proposed unit consists of contiguous quarter-quarter sections within a single governmental section, that the length or width thereof does not exceed 5,280 feet, and that the entire area of the proposed unit lies within the horizontal limits of the Jalmat Gas Pool and may reasonably be presumed to be productive of gas.

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5. That by a copy of this Letter of Application, all of the other operators owning an interest in the section in which the proposed Non-Standard Proration Unit is situated and all operators owning an interest within 1500 feet of the well have by registered mail been notified.

6. That a plat showing the acreage to be dedicated to the proposed Non-Standard Gas Proration Unit, the location of the said well, and the offset ownership is attached hereto.

7. El Paso Natural Gas Company intends to use said well as the unit well.

In view of the existence of the facts herein stated and in compliance with the provisions of Rule 5(b) of Order No. R-520, El Paso Natural Gas Company requests Administrative Approval of said proposed 160 acre Non-Standard Gas Proration Unit.

Respectfully submitted,

EL PASO NATURAL GAS COMPANY

By 
Samuel Smith, Manager
Land Department

THE STATE OF TEXAS

SS:

COUNTY OF EL PASO

On this 16th day of September, 1957, before me personally appeared Samuel Smith, to me known to be the person who executed the foregoing letter and states that the foregoing statements are true to the best of his knowledge and belief.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on this day and year first above written.

My commission expires:
June 1, 1959


Notary Public in and for El Paso County,
State of Texas

HELEN ADAMS
Notary Public in and for El Paso County, Texas
My Commission Expires June 1, 1959

New Mexico Oil Conservation Commission
September 5, 1957
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Copies by Registered Mail to:

Culbertson & Irwin, Inc.
901 McClintic Bldg.
Midland, Texas

R. Olsen
2808 Liberty Bank Building
Oklahoma City, Oklahoma

C. F. Blount
321 West Douglas
Wichita 2, Kansas

Westates Petroleum Corporation
391 Sutter Street
San Francisco 8, California

Humble Oil & Refining Company
Box 1600
Midland, Texas

Indian Petroleum Company
391 Sutter Street
San Francisco 8, California

Anderson-Prichard Oil Corporation
Liberty Bank Building
Oklahoma City, Oklahoma

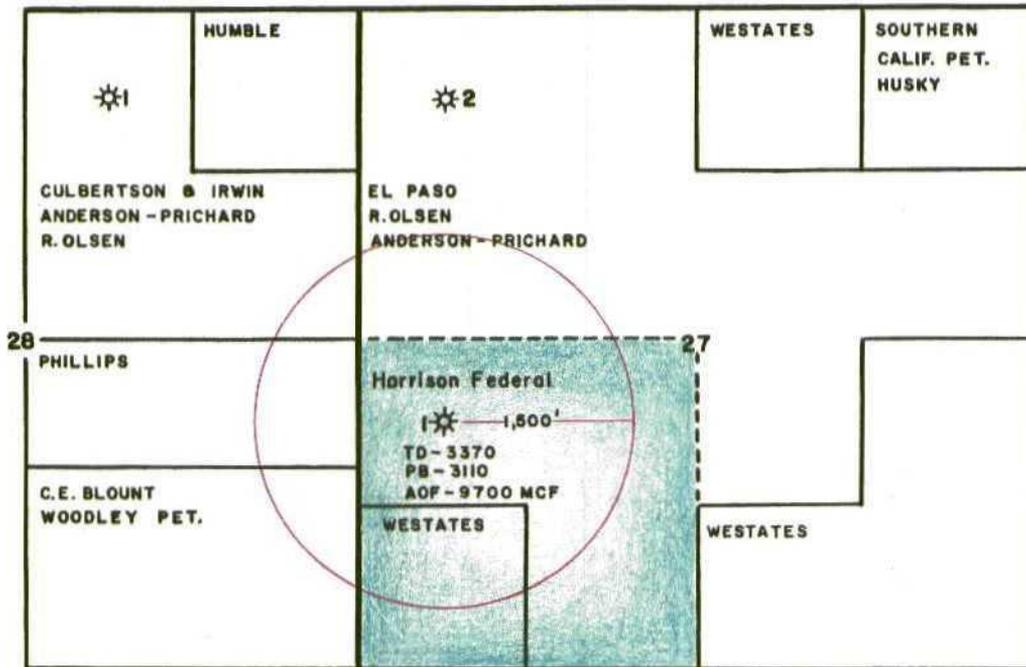
Phillips Petroleum Corporation
Permian Building
Midland, Texas

Woodley Petroleum Company
P. O. Box 1403
Houston 1, Texas

Southern California Petroleum Corporation
P. O. Box 172
Midland, Texas

Husky Oil Company
309 Wilkinson-Foster Building
Midland, Texas

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COMMUNITIZATION AGREEMENT

HARRISON FEDERAL #1 WELL

THIS AGREEMENT entered into as of the 25th day of May, 1956, by and between the parties subscribing, ratifying or consenting hereto, such parties being hereinafter referred to as "parties hereto";

W I T N E S S E T H :

WHEREAS, the Act of February 25, 1920, 41 Stat. 437, as amended by the Act of August 8, 1946, 60 Stat. 950, 30 U.S.C., Secs. 181, et seq., authorizes communitization or drilling agreements communitizing or pooling a federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing dry gas and associated liquid hydrocarbons in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto, as follows:

1. The lands covered by this agreement (hereinafter referred to as "Communitized area") are described as follows:

Township 25 South, Range 37 East, N.M.P.M.
Section 27: SW/4
Lea County, New Mexico
Containing 160.00 acres, more or less

and this agreement shall extend to and include only the formations lying between the top of the Tansill formation down to a point 100 feet above the base of the Seven Rivers Formation underlying said lands (within the limits of the Jalmat Gas Pool) and the dry gas and associated liquid hydrocarbons (hereinafter referred to as "communitized substances") producible from such formations.

2. Attached hereto, and made a part of this agreement for all purposes, is Exhibit "A", designating the operator of the communitized area and showing the acreage, and ownership of oil and gas interests in all lands within the communitized area.

3. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Oil and Gas Supervisor.

4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations. Operator, in operations hereunder, shall not discriminate against any employee or applicant for employment, because of race, creed, color or national origin and an identical provision shall be incorporated in all sub-contracts.

5. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payment of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued.

7. There shall be no obligation on the lessees to offset any dry gas well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligations to pro-

tect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.

8. The commencement, completion, continued operation or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.

9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, 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 laws, orders, rules or regulations.

10. This agreement shall be effective as of the date hereof upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior, or his duly authorized representative and shall remain in force and effect for a period of two (2) years and so long thereafter as communitized substances are produced from the communitized area in paying quantities; provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representatives, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto.

11. It is agreed between the parties hereto that the Secretary of the Interior or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the same extent and degree as provided in the oil and gas leases under which the United States of America is Lessor, and in the applicable oil and gas regulations of the Department of the Interior.

12. In connection with the performance of work under this agreement, the operator agrees not to discriminate against any employee or applicant for employment because of race, religion, color, or national origin. The aforesaid provision shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising, layoff or termination; rates of pay or other forms of compen-

sation; and selection for training, including apprenticeship. The operator agrees to post hereafter in conspicuous places, available for employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of the nondiscrimination clause.

13. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee or other successor in interest, and as to Federal land shall be subject to the approval of the Secretary of the Interior.

14. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.

15. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument in writing, specifically referring hereto, and shall be binding upon all parties who have executed such counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.

ATTEST:

A.C. Martch
Assistant Secretary

ATTEST:

Neales Boyd
Secretary

ATTEST:

R. A. Brennan
Secretary

ATTEST:

R. L. Morris
Secretary

EL PASO NATURAL GAS COMPANY

By [Signature]
Vice-President

ANDERSON PRICHARD OIL CORPORATION

By [Signature] CTM
President

INDIAN PETROLEUM COMPANY

By J. W. Gausson
President

WESTATES PETROLEUM CORPORATION

By Thomas F. Gausson
Vice-President

J. Steve Anderson
J. Steve Anderson

M. S. Anderson
M. S. Anderson

~~Hugo A. Anderson and~~

~~Louise M. Prichard, Executors of the Will of L. H. Prichard, Deceased.~~

Louise M. Prichard
Louise M. Prichard, a widow individually and as sole devisee under the Last Will and Testament of L. H. Prichard, Deceased

R. Olsen
R. Olsen

Laureada B. Olsen
Laureada B. Olsen

STATE OF TEXAS)
) SS:
COUNTY OF EL PASO)

On this 19 day of July, 1957, before me appeared W. F. STEEN, to me personally known, who, being by me duly sworn, did say that he is the Vice President of EL PASO NATURAL GAS COMPANY and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said W. F. STEEN acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

My Commission Expires:
June 1, 1957

M. B. Ivey
Notary Public in and for El Paso County, State of Texas

M. B. IVEY
Notary Public in and for El Paso County, Texas
My Commission Expires June 1, 1957

STATE OF Oklahoma)
) SS:
COUNTY OF Oklahoma)

On this 16th day of October, 1956 before me appeared Roland V. Hodman, to me personally known, who, being by me duly sworn, did say that he is the President of ANDERSON PRICHARD OIL CORPORATION and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said Roland V. Hodman acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal on the day and year in this certificate first above written.

My Commission Expires:
1-12-58

Mary Jane W. Miller
Notary Public in and for Oklahoma County, State of Oklahoma

STATE OF California)
City +) SS:
COUNTY OF San Francisco)

On this 2nd day of August, 1956, before me appeared J. W. Paason, to me personally known, who, being by me duly sworn, did say that he is the President of INDIAN PETROLEUM COMPANY and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said J. W. Paason acknowledged said instrument to be the free act and deed of said corporation.

EXHIBIT "A"

To a Communitization Agreement dated May 25, 1956, embracing the following described land in Lea County, New Mexico, to-wit:

Township 25 South, Range 37 East, N.M.P.M.
Section 27: SW/4
Containing 160.00 acres, more or less

Operator of Communitized Area: EL PASO NATURAL GAS COMPANY

Well Name Harrison Federal #1

Description of Leases Committed

Tract No. 1

Lease committed by: El Paso Natural Gas Company
Lessor: United States of America
Original Lessee: L. H. Prichard and J. Steve Anderson
Lessee of Record: L. H. Prichard and J. Steve Anderson
Serial Number of Lease: LC 032579-F
Lease date: December 8, 1937
Description of land committed: Township 25 South, Range 37 East, N.M.P.M.
Section 27: N/2 SW/4, SE/4 SW/4,
containing 120.00 acres, more or less

Operating Agreements: Subject to Gas Operating and Development Contract dated November 6, 1939 by L. H. Prichard and J. Steve Anderson to El Paso Natural Gas Company.

Special Provisions: R. Olsen holds the distillate and oil operating rights.

Tract No. 2

Lease Committed by: Westates Petroleum Corporation
Lessor: United States of America
Original Lessee: Indian Petroleum Corporation
Lessee of Record: Indian Petroleum Corporation
Serial Number of Lease: LC 032579(e)
Lease date: December 8, 1937
Description of land committed: Township 25 South, Range 37 East, N.M.P.M.
Section 27: SW/4 SW/4,
containing 40.00 acres more or less

Operating Agreements: Subject to Operating Agreement dated August 17, 1938 by Indian Petroleum Corporation and Italo Petroleum Corporation