



PETROLEUM AND ITS PRODUCTS

GULF OIL CORPORATION

B. E. THOMPSON
DIVISION PRODUCTION MANAGER

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

*Examiner
H. J. (WWM)
On 8/8/56*
FORT WORTH
PRODUCTION DIVISION

June 25, 1956

Re: Application for 200-Acre Gulf-Cities Service Non-Standard Gas Proration Unit, Eumont Gas Pool, Comprising NE/4 and SE/4 of NW/4 of Section 8, T-20-S, R-37-E, Lea County, New Mexico

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

Gentlemen:

On March 3, 1956, the New Mexico Oil Conservation Commission issued Administrative Order NSP-240, approving a 160-acre Non-Standard Gas Proration Unit, consisting of the W/2 NE/4, SE/4 NE/4 and SE/4 NW/4 of Section 8, T-20-S, R-37-E, Lea County, New Mexico. Subsequent to the issuance of this order, an agreement has been executed by Gulf and Cities Service unitizing the above described acreage. Therefore, Gulf Oil Corporation hereby makes application for approval of a 200-acre Non-Standard Gas Proration Unit comprising the NE/4 and SE/4 of NW/4 of Section 8, T-20-S, R-37-E, Lea County, New Mexico, and in support thereof states the following facts:

- (1) Gulf Oil Corporation is owner and operator of an oil and gas lease known as its Bertie Whitmire Lease, located in the W/2 and SE/4 of the NE/4 and SE/4 of NW/4 of Section 8, T-20-S, R-37-E, Lea County, New Mexico. Cities Service Oil Company is the owner and operator of an oil and gas lease known as its D. L. Laughlin Estate Lease, located in the NE/4 of the NE/4 of Section 8, T-20-S, R-37-E, Lea County, New Mexico. The Gulf and Cities Service leases comprise the 200 acres above described.
- (2) Gulf Oil Corporation proposes that the above described acreage be established as a Non-Standard 200-Acre Gas Proration Unit in exception to Rule 5(a) of Order R-520.
- (3) Gulf Oil Corporation is the owner and operator of the Bertie Whitmire Well No. 2, located 660' from the North line and 1,980' from the East line of Section 8, T-20-S, R-37-E, Lea County, New Mexico, which was completed in the Eumont Gas Pool on January 13, 1956. The applicant proposes to use this well as the unit well.

- (4) Gulf Oil Corporation and Cities Service Oil Company have executed an agreement to communitize their respective leases to form the 200-acre unit covered by this application. A photostatic copy of this agreement is attached for your information and file.
- (5) 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:
- (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 and Cities Service Oil Company 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

Anderson Pritchard Oil Corporation
Box 2197
Hobbs, New Mexico

Amerada Petroleum Corporation
Attn: Mr. R. S. Christie
Box 2040
Tulsa, Oklahoma

(See Page 3 for additional distribution)

cc: Return Receipt Requested - Registered Mail

Cities Service Oil Company
Box 97
Hobbs, New Mexico

Continental Oil Company
Box 427
Hobbs, New Mexico

Sinclair Oil & Gas Co.
Box 1470
Hobbs, New Mexico

Stanolind Oil & Gas Co.
Box 899
Roswell, New Mexico

Tidewater Associated Oil Co.
Attn: J. B. Holloway
P. O. Box 1404
Houston, Texas

Trebol Oil Company
Box 778
Lovington, New Mexico

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


STATE OF TEXAS |

COUNTY OF TARRANT |

BEFORE ME, the undersigned authority, on this day personally appeared J. R. Sherman 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 June 25, 1956, are true and correct and that copies of such Application were duly deposited on June 25, 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. R. Sherman

SUBSCRIBED AND SWORN to before me by the said J. R. Sherman this 25th day of June, 1956, to certify which witness my hand and seal of office.

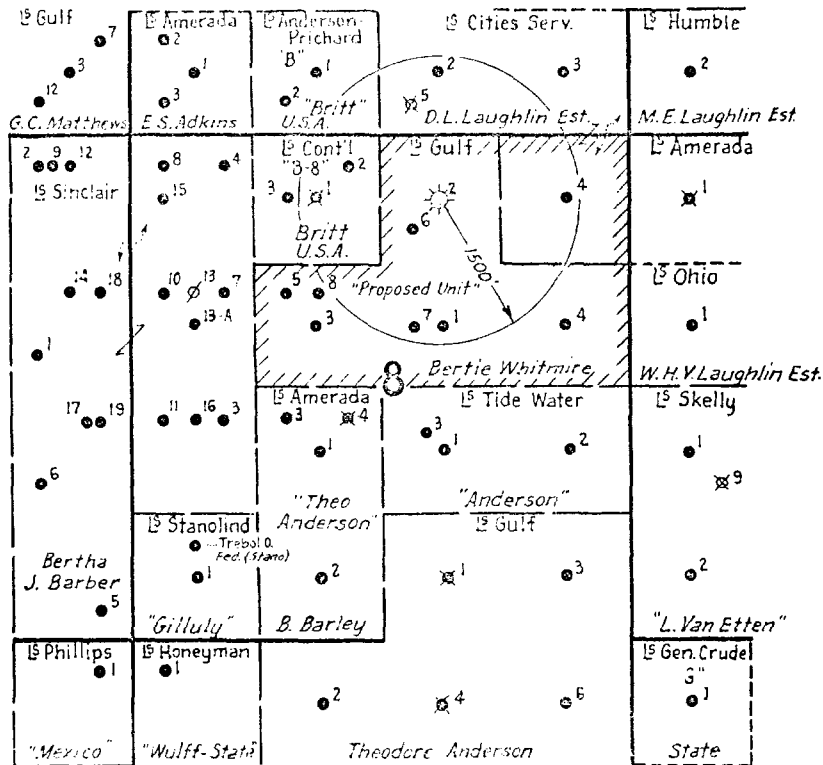

Notary Public in and for Tarrant
County, Texas

My Commission Expires:

June 1, 1957

P. 371

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AMERICAN OIL CORPORATION
 LEASES AND PRODUCTION DIVISION
 Scale 1" = 2,000'

Application for
 200-acre Leasehold Unit
 (100-acre unit)

Leasehold Unit (100 acres)
 Cities Service - W. L. Laughlin Est. Lease -
 (40-acres)



PETROLEUM AND ITS PRODUCTS

GULF OIL CORPORATION

B. E. THOMPSON
DIVISION PRODUCTION MANAGER

DRAWER 1290 FORT WORTH 1, TEXAS

FORT WORTH
PRODUCTION DIVISION

September 25, 1956

Re: Case No. 1123
Order No. R-858

New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

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

Gentlemen:

The above captioned order approved and created a non-standard gas proration unit consisting of the following described acreage in the Eumont Gas Pool, Lea County, New Mexico.

NE/4 and the SE/4 of the NW/4 of Section 8,
Township 20 South, Range 37 East

This 200-acre gas unit comprises Gulf's Bertie Whitmire 160-acre lease and Cities Service Oil Company's 40-acre Laughlin Lease. Gulf's Bertie Whitmire Well No. 2 was designated as the unit well.

The Commission's order specified that the assignment of the 200-acre allowable would be contingent upon receipt by the Commission of an affidavit of communitization. On receipt of the order, we assumed the requirement for furnishing evidence of communitization had already been met, since we had previously submitted to the Commission, under date of June 25, 1956, an application for Administrative approval of the 200-acre unit, and with such application had furnished a photostatic copy of the gas pooling agreement between Gulf Oil Corporation and Cities Service Oil Company. After submitting the application for Administrative approval, we were notified that it would be necessary to have a hearing to obtain approval of this unit and during the course of the hearing, we probably should have offered as an exhibit an additional copy of the gas pooling agreement.

We are transmitting herewith two additional photostatic copies of gas pooling agreement dated January 25, 1956, between Gulf Oil Corporation and Cities Service Oil Company and this pooling agreement is being submitted in lieu of the affidavit of communitization mentioned in Order R-858. We hope that receipt of this agreement will enable the Commission

*10/3/56
Sent copy to
Candy on 10/3/56
to increase
from 160 ac
to 200 ac on 10/3/56*

Case # 1123

Worm

*Vernian
is connected*

*160 ac on
Sept 1956*

9/25/56

to assign a 200-acre allowable to our Bertie Whitmire Well No. 2--which is presently assigned a 160-acre allowable, all of which is attributable to Gulf's Bertie Whitmire Lease.

If it is possible to do so, we request the Commission to make the 200-acre allowable effective October 1, 1956. Please advise as to your decision on this matter.

Yours very truly,

A handwritten signature in cursive script, appearing to read "B. E. Thompson".

B. E. THOMPSON

cc: Cities Service Oil Company
Cities Service Building
Bartlesville, Oklahoma

Permian Basin Pipeline Company
2223 Dodge Street
Omaha 1, Nebraska

GAS POOLING AGREEMENT

THIS AGREEMENT made and entered into the 25th day of January, 1956 by and between GULF OIL CORPORATION, hereinafter called "Gulf", and CITIES SERVICE OIL COMPANY, hereinafter called "Cities Service",

WITNESSETH, that

WHEREAS, Gulf is the owner and holder of an oil and gas lease dated November 10, 1928 from Theodore Anderson and Bertie Whitmire, a bachelor, by his Attorney in Fact, E. de P. Bujac, as Lessors, to E. H. Hewitt, a bachelor, as Lessee, covering the SE $\frac{1}{4}$ NE $\frac{1}{4}$, W $\frac{1}{2}$ NE $\frac{1}{4}$ and the SE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 8, Township 20 South, Range 37 East, N.M.P.M., Lea County, New Mexico; and

WHEREAS, Cities Service is the owner and holder of an oil and gas lease dated August 20, 1927 from David L. Laughlin and wife, Martha E. Laughlin, as Lessors, to M. W. Coll, as Lessee, covering the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 8, Township 20 South, Range 37 East, N.M.P.M., Lea County, New Mexico; and

WHEREAS, it is the desire of Gulf and Cities Service that this agreement cover the NE $\frac{1}{4}$ and the SE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 8, Township 20 South, Range 37 East, N.M.P.M., 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 Eumont Gas Pool, as defined in said Commission's Order No. R-520, said area hereinafter being 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 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 tract, but the lessee shall not be released from the obligation to protect said pooled proration unit from drainage by any gas well or wells which may be drilled offsetting the said tract. 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 tracts within and comprising said pooled proration unit.

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 Eumont 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 an allowable production allocated to the entire pooled proration unit is first produced, and shall remain in force and effect for a period of one 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.

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

GULF OIL CORPORATION

ATTENTION

Assistant Secretary

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CITIES SERVICE OIL COMPANY

ATTES :

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STATE OF Delaware)
COUNTY OF Delaware) SS

The foregoing instrument was acknowledged before me this 23
day of January, 1958 by _____,
_____ of GULF OIL CORPORATION, a Pennsylvania
corporation, on behalf of said corporation.

Notary Public

My Commission expires:

STATE OF Delaware)
COUNTY OF Delaware) SS

The foregoing instrument was acknowledged before me this _____
day of _____, 1958 by _____,
_____ of CITIES SERVICE OIL COMPANY, a Delaware
corporation, on behalf of said corporation.

Notary Public

My Commission expires:
