

RECEIVED

1 BEFORE THE OIL CONSERVATION COMMISSION
2 OF THE STATE OF NEW MEXICO

3 IN THE MATTER OF THE APPLICATION OF)
4 GULF OIL CORPORATION AND WESTERN)
5 OIL FIELDS, INC. FOR A COMPULSORY)
6 POOLING ORDER AS TO GAS IN THE)
7 BLINEBRY AND TUBB GAS POOLS UNDER)
8 THE SW/4 SECTION 30, TOWNSHIP 22)
9 SOUTH, RANGE 38 EAST, LEA COUNTY,)
10 NEW MEXICO.)

No. 1261

11 A P P L I C A T I O N

12 Come now Applicants, Gulf Oil Corporation, hereinafter called
13 Gulf, and Western Oil Fields, Inc., hereinafter called Western, and
14 show to the Commission:

15 1. Gulf is the owner and holder of an oil and gas lease dated
16 April 3, 1944, from Allen M. Drinkard covering among other lands the
17 E/2 of the SW/4 and the SW/4 of the SW/4 of Section 30, Township 22
18 South Range 38 East, N.M.P.M., Lea County, New Mexico, said lease
19 providing for a royalty of 1/8th of 8/8ths on oil and gas.

20 2. Western is the owner and holder of an oil and gas lease
21 dated March 11, 1950, from Allen M. Drinkard and others covering
22 among other lands the NW/4 of the SW/4 of said Section 30, said
23 lease providing for a royalty of 3/16ths of 8/8ths on oil and gas.

24 3. Allen M. Drinkard is the sole owner of all of the oil and
25 gas royalties provided in said leases.

26 4. Prior to March 1, 1955, Gulf and Western in order to protect
27 their correlative rights and comply with Orders R-610 and R-586 of
28 the Commission entered into an informal agreement for the pooling of
29 all of their interests in the SW/4 of said Section 30 as to gas to
30 be developed and produced from gas wells within the vertical limits
31 of the Blinebry and Tubb gas pools. Said informal agreement was
32 formalized by a written agreement executed as of July 6, 1956, be-
tween Gulf and Western by which said parties pooled all of their
interests in said tract as to gas to be developed and produced from
gas wells within the vertical limits of the Blinebry Gas Pool, said

1 unit to be known as Western Oil Fields A.M. Drinkard "B" Blinebry
2 Gas Unit No. 2 and by which said parties pooled all of their in-
3 terests in said tract as to gas to be developed and produced from
4 gas wells within the vertical limits of the Tubb Gas Pool, said
5 unit to be known as Western Oil Fields A.M. Drinkard "B" Tubb Gas
6 Unit No. 2. In said agreement Western is designated as the operator.
7 Said agreement provides for the allocation of the dry gas and asso-
8 ciated liquid hydrocarbons produced from said gas pools among the
9 present or future owners of leasehold or royalty interest in the
10 proportion that the acreage interest of each bears to the entire
11 acreage in the SW/4 of said Section 30.

12 5. Allen M. Drinkard has refused to consent to or ratify the
13 pooling agreement.

14 6. Prior to March 1, 1955, Western completed a Tubb gas well
15 660 feet from the West line and 1980 feet from the south line of
16 the SW/4 of said Section 30 and as of March 1, 1955, Western on the
17 basis of the informal pooling agreement applied for and was assigned
18 by the Commission a 160-acre unit allowable from its said Tubb Gas
19 well and said allowable is still in effect. The total working
20 interest production from said well has at all times since March 1,
21 1955, been allocated 3/4ths to Gulf and 1/4th to Western under their
22 pooling agreement but Gulf's share of the production has been held
23 in suspense because of the refusal of the sole royalty owner Allen
24 M. Drinkard to consent to the pooling agreement.

25 7. Allen M. Drinkard claims that he is entitled to receive
26 3/16ths of all gas and associated liquid hydrocarbons produced from
27 Western's said Tubb gas well although 3/4ths of the total production
28 from said well is allocated to Gulf by reason of its ownership of
29 3/4ths of the total acreage in the said Tubb Gas Pool unit, and
30 under Gulf's said lease Allen M. Drinkard is entitled to receive
31 only 1/8th of Gulf's share of said production.

32 8. No well has been completed upon the SW/4 of said Section 30

1 in the Blinebry Gas Pool but under the pooling agreement Western will
2 either dually complete its Tubb gas well above described or drill
3 and complete another well in the Tubb gas zone and Gulf will con-
4 tribute its fair share to the cost of said well.

5 9. Western and Gulf will each suffer great economic loss in
6 the drilling of unnecessary wells on their respective tracts in the
7 SW/4 of said Section 30 unless all of the royalty interests under
8 said tract are pooled. One well on said tract in each of the Bline-
9 bry and Tubb Gas Pools will efficiently drain all of the gas under-
10 lying and properly belonging to said tract from said pools, as is
11 found by the Commission in its said Orders R-586 and R-610.

12 10. The royalty interest of Allen M. Drinkard will not be ad-
13 versely affected by the compulsory pooling of all of his royalties
14 in the respective units provided by the pooling agreements.

15 11. In order to protect the correlative rights of the Appli-
16 cants herein and to avoid the drilling of unnecessary wells, it is
17 necessary that the royalty interests under the above described oil
18 and gas leases be pooled by Commission order.

19 WHEREFORE APPLICANTS REQUEST that the Commission enter its
20 order pooling all interests underlying the SW/4 of Section 30,
21 Township 22 South, Range 38 East, Lea County, New Mexico, within
22 the vertical limits of the Blinebry Gas Pool and within the vertical
23 limits of the Tubb Gas Pool.

24 Respectfully submitted,

25 GULF OIL CORPORATION

26 By CAMPBELL & RUSSELL

27 By Jack M. Campbell
Attorneys

28 Roswell, New Mexico

29 WESTERN OIL FIELDS, INC.

30 By REESE, McCORMICK, LUSK & PAINE

31 By Geo. L. Reese
Attorneys

32 Carlsbad, New Mexico

BEFORE THE OIL CONSERVATION COMMISSION

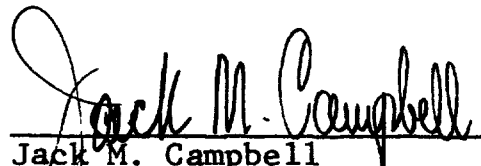
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CERTIFICATE

COMES NOW Jack M. Campbell, one of the attorneys for Applicants, and certifies to the Oil Conservation Commission of the State of New Mexico that on the 24th day of May, 1957, he mailed a copy of the Application in this case to Allen M. Drinkard, Post Office Box 45, Unice, New Mexico, which is the last known address of Mr. Drinkard.



Jack M. Campbell
For: CAMPBELL & RUSSELL
One of the attorneys for Applicants.

NEW MEXICO OIL CONSERVATION COMMISSION
Well Location and Acreage Dedication Plat

Case 1261

Section A.

Date _____

Operator Western Oil Fields, Inc Lease Drinkard B
 Well No. 2 Unit Letter L Section 30 Township 22 S Range 38 E NMPM
 Located 1980 Feet From South Line, 660 Feet From West Line
 County Lea G. L. Elevation _____ Dedicated Acreage 160 Acres
 Name of Producing Formation _____ Pool Tubb & Blinberry

1. Is the Operator the only owner* in the dedicated acreage outlined on the plat below?
 Yes _____ No _____.
2. If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? Yes _____ No _____. If answer is "yes," Type of Consolidation _____
3. If the answer to question two is "no," list all the owners and their respective interests below:

Owner

Land Description

DESIRE FORCE Pool of SW 1/4 or 160 Ac for Blinberry & Tubb
160 Ac Now Dedicated in Tubb

Section B

Well in BLINBERRY Pool Not Completed Yet

This is to certify that the information in Section A above is true and complete to the best of my knowledge and belief.

(Operator)

(Representative)

Address

This is to certify that the well location shown on the plat in Section B was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed _____

Registered Professional
 Engineer and/or Land Surveyor.

Certificate No. _____

(See instructions for completing this form on the reverse side)

INSTRUCTIONS FOR COMPLETION: