



PETROLEUM AND ITS PRODUCTS

GULF OIL CORPORATION

P. O. DRAWER 669, ROSWELL, NEW MEXICO

January 20, 1955

FORT WORTH
PRODUCTION DIVISION

Western Oil Fields, Inc.
P. O. Box 1139
Denver, Colorado

Attention: Mr. R. M. Barnholt, Jr.

Re: Gas Units in Section 25-22S-37E
and Section 30-22S-38E, Lea
County, New Mexico.

Gentlemen:

This will refer to discussions held in September in this office on the occasion of Mr. Barnholt's visit wherein agreement was reached with respect to four proposals relative to the formation of Tubb and Blinebry gas units in the above described area. These proposals were recommended to our management and after careful study, based on the reserves calculated by our reservoir engineering section, it was decided some of these recommendations were too liberal. Accordingly the following counter-proposals are presented, which are acceptable to our management and which, based on the reservoir estimates, will allow more than ample return for dual completion and operational costs.

(1) NE/4, Section 25-22S-37E. In this unit Western already has a Blinebry dual completion and according to our last information had obtained permission to dually complete a second well in the Tubb zone. It is our proposal that participation in the gas produced and sold after pooling be 40% Gulf and 60% Western, but that the liquid hydro-carbons be 50% Gulf and 50% Western. According to our calculations the additional 10% interest Western would receive in the gas alone would more than reimburse them for the cost of the dual completion and the operational expenses. Our management is therefore unwilling to relinquish any additional rights and insist on the 50-50 division of the liquid hydro-carbons.

(2) SW/4, Section 30-22S-38E. In this unit Western has an existing Tubb gas well. Western would dually complete this well to expose the Blinebry zone. Since Gulf would hold 3/4 of the leasehold interest in this unit, it is felt Gulf should receive a 50% of 7/8ths interest of all gas and liquid hydro-carbon produced from the unit, and Western a like amount. This varies from the

January 20, 1955

other proposal relative to this unit in that Gulf's share of the gas and liquid hydro-carbons has been increased from 40% to 50%. Our estimated recovery figures indicate that on the 50-50 basis Western would recover sufficient quantity of Gulf's gas and liquid hydro-carbons to pay for the cost of drilling a gas-gas dual well on these premises. Accordingly if Western is unwilling to accept this particular proposal, Gulf will have little recourse other than to drill a well on its 120 acre leasehold interest.

There was a general agreement in respect to the remaining two proposals which were:


(3) SE/4, Section 30-22S-38E. One of Gulf's wells in this unit will be utilized to produce Blinbry gas and Western's well will be utilized to produce the Tubb gas. On each of the units Gulf will receive 75% of 7/8ths of gas and liquid hydro-carbons and Western will receive 25% of 7/8ths of all gas and liquid hydro-carbons. Gulf, with 120 acres contributed to each unit, would pay 75% of the cost of each of the two dual completions and Western, with 40 acres in each unit, would pay 25% of the cost of each of the two dual completions. Gulf will stand all of the operating and maintenance cost for the Blinbry unit and Western will stand all of the operating and maintenance cost for the Tubb unit.

(4) SE/4, Section 25-22S-37E. In this unit Gulf's gas-gas dual will be utilized as the unit well. Western will have no ownership interest in the unit well and the cost of the operation and maintenance will be borne by Gulf. Gulf will receive for producing the gas attributable to Western's 40 acres, 1/16th of 7/8ths of the gas and liquid hydro-carbons attributable to Western's 40 acres.

With regard to the subleasing of oil rights on any of Gulf's leasehold in the acreage under consideration, it is agreeable to assign Western the oil rights only to the base of the Permian formation on the 120 acre leasehold interest in the SW/4 of Section 30-22S-38E, described as S/2 of the SW/4 and NE/4 of the SW/4, Gulf to retain a 1/16th of 7/8ths overriding royalty interest provided, however, that Western agrees to commence the drilling of a well within 120 days of date of assignment and to further agree to continuous drilling operations allowing not more than 120 days between the completion of one well and the commencement of the next until all of the acreage is developed in accordance with the spacing regulations, or otherwise the undrilled acreage will revert to Gulf.

If you are interested in any or all of these proposals please so advise and we will have the necessary instruments prepared for execution.

Yours very truly,


E. S. Grear
Zone Exploration Manager

RLB:hq

February 22, 1955

Gulf Oil Corporation
P. O. Drawer 659
Roswell, New Mexico

Attention: E. G. Grear, Zone Exploration Manager

Gentlemen:

Please refer to your letter of January 20, 1955, in regard to Gas Units in Section 25-22S-37E and Section 30-22S-38E, Lea County, New Mexico. Your reference is to a meeting and discussions held in September, 1954 in your office, wherein details were reviewed with respect to the formation of Tubb and Blinebry gas units in the described area. Based on agreement reached at that meeting, certain proposals were recommended to your management which were rejected, and your letter of January 20 made certain counter-proposals.

Accordingly, we hereby wish to advise of our decisions to accept your terms with only minor modifications that we do not feel to be material. Taking the tracts concerned in the same order as your letter:

- (1) NE/4, Section 25-22S-37E. We accept your terms on this unit.
- (2) SW/4, Section 30-22S-38E. We wish to accept your proposal for this unit with only slight modification. One 40-acre tract therein carries a 3/16ths land-owners royalty, and therefore the working interest on the 160 acres will amount to a fraction less than 7/8ths. We ask that the Gulf and Western division on this unit be on a 50/50 basis for the net working interest share of the gas and liquid hydrocarbons recovered thereon. We do not feel this is asking a great deal in view of the concessions we have made here. Also, for reasons due to the possible sub-leasing by Western from Gulf of the oil rights to

February 22, 1955

said 120 acres in this tract, we request the operational right to drill a new well to provide the Blinbry gas production in lieu of dually completing our existent Fubb well on said tract. Of course, we shall be committed to do one or the other.

- (3) SE/4, Section 30-22S-38E. There seems to be no problem concerning this unit.
- (4) SE/4, Section 25-22S-37E. We request a minor adjustment in the terms applicable to this unit. Inasmuch as the 40 acres owned by Western carried a 3/16ths landowner's royalty, we ask that the override the Gulf will receive for producing the gas attributable to Western's 40 acres be 1/16th of Western's net interest.

Reference has already been made herein in Paragraph #2 to the sub-leasing of oil rights on Gulf's 120 acres within the SW/4 of Section 30-22S-38E. As implied above, we wish to accept your offer to assign Western the oil rights only to the base of the Permian formation on the terms and conditions set forth and acceptable to you.

Kindly prepare the necessary instruments for execution. In this regard, we ask that you do so whether or not you accept our requested modifications. We have no choice in this matter, and although the minor stipulations we have made are only what we consider to be just and reasonable in the circumstances, if you do not accept them we wish to have the instruments prepared regardless.

Very truly yours,

R. M. Barnhelt, Jr.

RMBJr/nw



PETROLEUM AND ITS PRODUCTS

GULF OIL CORPORATION

P. O. DRAWER 1290 FORT WORTH, TEXAS

H. M. BAYER
VICE PRESIDENT

FORT WORTH
PRODUCTION DIVISION

June 30, 1955

Re: Proposed Gas Units
Lea County, New Mexico

Western Oil Fields, Inc.
1636 Stout Street
Denver, Colorado

Attention: Mr. R. M. Barnholt

Gentlemen:

Reference is made to previous correspondence and negotiations with your Company regarding the formation of the following four 160-acre gas proration units in the Tubb and Blinbry Gas Pools, Lea County, New Mexico:

- (1) NE/4 Section 25, T22S, R37E — Western 80 acres, Gulf 80 acres
- (2) SW/4 Section 30, T22S, R38E — Western 40 acres, Gulf 120 acres
- (3) SE/4 Section 30, T22S, R38E — Western 40 acres, Gulf 120 acres
- (4) SE/4 Section 25, T22S, R37E — Western 40 acres, Gulf 120 acres

We have heretofore informally agreed upon the basis for forming each of the above described gas proration units, however, communitization agreements and operating agreements for these units have not been completed by our attorneys and executed on behalf of the respective companies.

With regard to the above described proposed units designated as Nos. 1 and 2, your Company, as of March 1, 1955, was assigned 160-acre allowances for your Blinbry gas well on the proposed Unit No. 1 and your Tubb gas well on the proposed Unit No. 2. The Tubb and Blinbry gas reserves for our leases which are to be included in these two proposed gas units are dedicated to Permian Basin Pipeline Company and your leases are apparently dedicated to El Paso Natural Gas Company. Our Accounting Department in Houston has received statements from both El Paso Natural and Permian Basin indicating that production from your two wells for the months of March, April and May, 1955, is being allocated to El Paso and Permian on a dedicated acreage basis.

We presume that the pipe line company, which serves this area, has been running all of the condensate production from the two proposed units since March 1, 1955, and that our share of any payments for such condensate

6/30/55

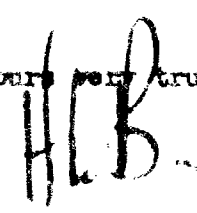
is being accrued in suspense either by your Company or by the pipe line company pending the execution of the formal agreements on these units. It is going to be necessary to make the agreements on Units Nos. 1 and 2 effective retroactive to March 1, 1955, and this certainly meets with our approval.

You will recall that we agreed Western would receive 60 per cent of the gas from Unit No. 1 and that we would receive 40 per cent of the gas from Unit No. 1 whereas the liquid hydrocarbons would be divided 50-50 between Western and Gulf. For Unit No. 2, we agreed that Gulf and Western would each receive 50 per cent of the gas and liquid hydrocarbons. Pending execution of the communitization and operating agreements, we will not attempt to pay royalty and taxes on the production attributable to our leases which are assigned to the two units. Permian Basin should also withhold payment for the gas attributable to our acreage in each of the two units until we are in a position to receive the gas payments.

After the agreements on these units have been executed on behalf of Gulf and Western, we can then furnish the gas transmission companies with appropriate instructions and authorizations to make proper distribution of the proceeds from gas sales, and the pipe line company—taking the condensate—can also be authorized as to the allocation of condensate revenues. In the event you already have received some payments for gas or liquid hydrocarbons attributable to our acreage, we suggest that you hold such payments until the trade is formally consummated.

For your information, our Roswell Exploration office is handling the preparation of the agreements and if there are any questions regarding these agreements or the progress that has been made with regard to the unitization of the royalty, we suggest that you contact Mr. E. S. Grear at Roswell.

Yours very truly,


H. M. BAYER

cc: El Paso Natural Gas Company
El Paso, Texas

Permian Basin Pipeline Company
Omaha, Nebraska

GAS POOLING AGREEMENT

AMANDA BLINEBRY GAS UNIT NO. 1

AMANDA TUBB GAS UNIT NO. 1

THIS AGREEMENT, made and entered into this 10 day of August, 1950, by and between GULF OIL CORPORATION, hereinafter called "Gulf" or "Operator", and WESTERN OIL FIELDS, INC., hereinafter called "Western" or "Non-operator", and other parties who execute or ratify this instrument, hereinafter called "Subscribers",

WITNESSETH, that

WHEREAS, Gulf is the owner and holder of an oil and gas lease dated April 3, 1944, from Amanda E. Sims and her husband, George W. Sims, lessors, to Gulf Oil Corporation, lessee, covering, among other lands, the S1SE1 and the NW1SE1 of Section 25, Township 22 South, Range 37 East, N.M.P.M., Lea County, New Mexico, and

WHEREAS, Western is the owner and holder of an oil and gas lease dated March 11, 1950, from A. G. Brinkard, et al, lessors, to Western Oil Fields, Inc., lessee, covering, among other lands, the NW1SE1 of Section 25, Township 22 South, Range 37 East, N.M.P.M., Lea County, New Mexico, and

WHEREAS, it is the desire of the parties hereto that this agreement cover the S1SE1 of Section 25, Township 22 South, Range 37 East, N.M.P.M., Lea County, New Mexico, as to gas produced from gas wells as defined by the New Mexico Oil Conservation Commission, within the vertical limits of the Blinebry and Tubb Gas Pools, as defined by the Commission, and that said areas shall be hereinafter referred to as the "Pooled Proration Units" which shall be known as Amanda Blinebry Gas Unit No. 1 and Amanda Tubb Gas Unit No. 1, respectively, and

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

WHEREAS, it is the desire of the parties hereto to operate each of the pooled proration units 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 each of the pooled proration units shall be developed and operated by the Operator, 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 each of the pooled proration units shall be allocated among the present or future owners

ILLEGIBLE

of leasehold or royalty interest in the proportion that the acreage interest of each bears to the entire acreage interest committed hereto. There shall be no obligation on Operator, or its successors or assigns, to offset any gas well or wells on separate component tracts into which either of such pooled proration units as now or may hereafter be divided; nor shall operator, 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 either of said units, but the lessee shall not be released from the obligation to protect each of said units 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 either of the pooled proration units 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 either of the pooled proration units 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 Blaineby Gas Pool and Tubb 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 to each unit 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 either of said pooled proration units in paying quantities. It is further provided that after the expiration of said one-year period should the unit well or wells for either of said units be reclassified by the New Mexico Oil Conservation Commission, or should either of said units cease to produce gas in paying quantities from any cause this agreement shall not terminate if, within six (6) months after the date of such reclassification or cessation of

ILLEGIBLE

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 either of said units in paying quantities.

This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, personal representatives, successors and assigns, and may be executed in one or more counterparts and all counterparts so executed shall be taken as a single instrument 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 a 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 the day and year first above written.

GULF OIL CORPORATION

ATTEST:

By H. M. Bayer, Vice President

Secretary

WESTERN OIL FIELDS, INC.

ATTEST:

By _____

SUBSCRIBERS:

ILLEGIBLE

WESTERN OIL FIELDS, INC. 110712 000
1827 GRANT STREET
POST OFFICE BOX 1139 DENVER, COLORADO
TELEPHONE MAIN 3-0226 110712 01 0105

January 30, 1957

Mr. A. L. Porter, Jr.
New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

RE: Drinkard No. 4 Well, NE/4 Sec. 25,
T-22-S, R-37-E; Drinkard No. 2 Well
SW/4 Sec. 30, T-22-S, R-38-E.

Dear Mr. Porter:

In compliance with our recent exchange of correspondence,
enclosed herewith for your attention is a copy of Gas Pooling
Agreement on the subject tract showing executing by this Company
and the Gulf.

Kindly advise if you desire any further information in
this regard.

Very truly yours,

R. M. Barnholt, Jr.

R. M. Barnholt, Jr.

by N.W.

RMBJr/nw
Enclosures

cc: Mr. George Reese, Jr.

*Agreement of well
Drinkard No. 4 & well
SW/4 Sec. 30*

GEORGE L. REESE, JR.
DONALD MCCORMICK
THOMAS E. LUSK
EDWARD C. PAINE

REESE, MCCORMICK, LUSK AND PAINE
ATTORNEYS AT LAW
BUREAU BUILDING
CARISBAD NEW MEXICO
17 January 1957

TELEPHONES
5-3144
5-3145

Mr. R. M. Barnholt, Jr.
Western Oil Fields, Inc.
P. O. Box 1139
Denver, Colorado

Re: Drinkard No. ~~4~~ Well, NE~~1~~ Sec. 25,
T-22-S, R-37-E; Drinkard No. ~~2~~
Well, SW~~1~~ Sec. ~~30~~, T-22-S, R-38-E

Dear Barney:


In view of the fact that judgment will shortly be entered holding that the pooling agreements do not violate the covenant against assignment to Gulf I know of no reason why Western should not now execute the agreements and furnish copies to the Oil Conservation Commission. Their rules do not require approval of the royalty owners.

I believe this will answer the problem presented by Mr. Porter's letter of January 14, 1957 and forwarded to me with your letter of January 16.

Yours sincerely,

REESE, MCCORMICK, LUSK and PAINE

BY


Geo. L. Reese, Jr.

GLR:vm

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

February 6, 1957

C
O
P
Y

Mr. E. C. Barnholt
Western Oil Fields, Inc.
P.O. Box 1139
Denver, Colorado

Re: Drinkard No. 2 Well, SW/4 Sec. 30,
T-22-S, R-38-E; Drinkard No. 4 Well,
NE/4 Sec. 25, T-22-S, R-37-E

Dear Mr. Barnholt:

This is to acknowledge receipt of a Gas Pooling Agreement between Western Oil Fields, Inc. and Gulf Oil Corporation executed July 6, 1956 covering the SW/4 of Section 30, Township 22 South, Range 38 East, NMPM, Lea County, New Mexico.

Our records indicate that the above-described acreage was dedicated to the Western Oil Fields, Inc. Drinkard No. 2 Well as of March 1, 1955 on the strength of your letter of February 23, 1955 wherein you stated that the said acreage had been consolidated by a unitization agreement with Gulf Oil Corporation. Since the agreement which you have sent us was not executed until some sixteen months after the date of that letter, it would seem that you must have had some other agreement in mind. We would appreciate some clarification of this apparent discrepancy.

In my letter of January 14, 1957 I requested a copy of the pooling agreement covering both your Drinkard No. 2 Well and Drinkard No. 4 Well. Our records indicate that the NE/4 of Section 25, Township 22 South, Range 37 East, NMPM, is presently dedicated to the Drinkard No. 4 Well on the strength of the aforementioned letter of February 23, 1955. The agreement which you have sent us does not cover the acreage just mentioned. Please furnish us with a copy of that pooling agreement as soon as possible.

Very truly yours,

A. L. Porter, Jr.
Secretary - Director

ALP/WJC:bp

WESTERN OIL FIELDS, INC.

1827 GRANT STREET

POST OFFICE BOX 1139 DENVER, COLORADO

TELEPHONE MAIN 3-0226

January 17, 1957

Mr. A. L. Porter, Jr.
New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

4
RE: Drinkard No. 2 Well, NE/4 Sec. 25,
T-22-S, R-37-E; Drinkard No. 4 Well,
SW/4 Sec. 20, T-22-S, R-38-E.

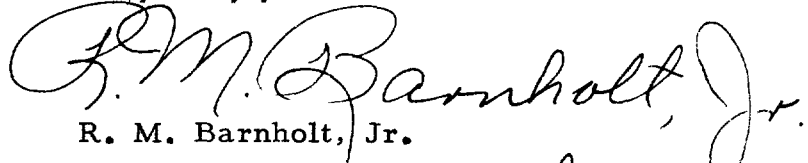
Dear Mr. Porter:

We wish to acknowledge receipt of your letter of January 14, 1957. We will comply with your wishes and provide complete information on this matter within a few days; our attorney in this matter is checking the legal aspects of your request in conjunction with our problem in the matter, which is the only reason for the delay.

Please be assured that there was no misrepresentation made to you of any kind. We have been in complete accord with the Gulf since prior to the date of our application for full allowable. A complication arose with the royalty owner (who, incidentally, is the same under the whole unitized tract) which is now in the process of absolving.

This, briefly, is the reason for referring the matter to the attorney prior to answering your request. If you will bear with us for this brief period, we are quite certain there should be no occasion for any reverse action on the original Commission administration of the matter.

Very truly yours,


R. M. Barnholt, Jr.

RMBJr/nw

by H.A.W.

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

January 14, 1957

Handwritten: 2-22-S, R-37-E; Drinkard No. 4
Well, SW/4 Sec. 20, T-22-S, R-38-E

C
O
P
Y

Mr. E. C. Barnholt
Western Oil Fields, Inc.
P.O. Box 1139
Denver, Colorado

Re: Drinkard No. 2 Well, NE/4 Sec. 25,
T-22-S, R-37-E; Drinkard No. 4
Well, SW/4 Sec. 20, T-22-S, R-38-E

Dear Mr. Barnholt:

In your letter of February 23, 1955, you advised the Commission that Western Oil Fields, Inc. and Gulf Oil Corporation had "completed a unitization agreement" covering the above-referenced wells. On the strength of this letter, the Commission increased the allowable for said wells to that of a full 160-acre unit in the Blinebry Gas Pool, effective March 1, 1955.

The Commission was recently informed that there is some question concerning the above-referenced unitization agreement. Please forward a copy of the said agreement to this office as quickly as possible in order that we may settle this matter without having to shut-in the wells in question.

Yours very truly,

A. L. Porter, Jr.
Secretary - Director

ALP/WJC:bp

OIL CONSERVATION COMMISSION
HOBBS, NEW MEXICO

February 25, 1955

Western Oil Fields, Inc.
Attention: Mr. Barnhart
P. C. Box 1139
Denver, Colorado

Re: Increase in allowable for gas wells

Gentlemen:

We are attaching approved copies of Form C-104 for your Gulf-State #1, Tubb Pool, the Drinkard #2, Tubb Pool, and the Drinkard #4, Hlinabry Pool. On each of these forms there is a statement from you to the effect that communitization has been effected and a request that the allowables be adjusted accordingly.

By telephone this morning Mr. Macey advised me that he would adjust the allowable for your Gulf-State #1 retroactive to October 1, 1954, and that the increases for your other two wells would become effective March 1, 1955. Corrected allowables for all three of these wells will appear on the March 1955 gas proration schedule.

You will kindly indicate the amount of distillate allowable that you will need each month on Form C-127.

Yours very truly,

OIL CONSERVATION COMMISSION

A. L. Porter, Jr.
Proration Manager

ALP/hs
cc-Mr. W. B. Macey
Oil Conservation Commission
Santa Fe, New Mexico

encl.

WESTERN OIL FIELDS, INC.

1827 GRANT STREET
POST OFFICE BOX 1138 DENVER, COLORADO
TELEPHONE MAIN 3-0226

February 23, 1955

Mr. A. L. Porter, Jr.
Oil Conservation Commission
P. O. Box 2045
Hobbs, New Mexico

Dear Mr. Porter:

I am enclosing forms C-104 requesting an increase in gas and distillate allowable for our Drinkard #2 and Drinkard #4 wells in Lea County, New Mexico.

We have recently completed a unitization agreement with Gulf Oil Corporation and now respectfully request that the Oil Conservation Commission grant these wells recognition as being contained within a full 160 acre unit, and full allowables granted commencing March 1, 1955.

I am also enclosing for your approval form C-104 requesting full allowable on gas and distillate on our Gulf-State #1 well in Lea County, New Mexico. In a letter from Mr. W. B. Middlemist of this office dated September 24, 1955, we made this request, but I cannot find a reply from your office. I also note that in the gas proration schedule, Gulf-State #1-A is still recognized as only 80 acres, .50 unit.

Mr. Middlemist is at present on vacation so perhaps I am in error on the above paragraph, but I am sure that you will agree that the matter requires attention.

I would like to request then that the Gulf-State #1-A also be put on full allowable and retroactive to October 1, 1954.

If your file on the information that we have sent you is incomplete, please contact me at your earliest convenience and I will be happy to clarify anything that you may have in question.

Very truly yours,

WESTERN OIL FIELDS, INC.

By

E. C. Baraholt

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

September 24, 1957

Mr. Jack Campbell
Campbell & Russell
Box 721
Roswell, New Mexico

Dear Sir:

We enclose two copies of each of the following Orders of Dismissal: R-1049, R-1050, R-1051 and R-1052 issued September 16, 1957, by the Oil Conservation Commission.

Very truly yours,

A. L. Porter, Jr.
Secretary - Director

bp
Encls.

C
O
P
Y

W.F. 30
MAIN OFFICE OCC

LAW OFFICES OF
CAMPBELL & RUSSELL

J. P. WHITE BUILDING
ROSWELL, NEW MEXICO

JACK M. CAMPBELL
JOHN F. RUSSELL

1957 AUG 8 AM 8:30

6 August 1957

TELEPHONES
MAIN 2-4641
MAIN 2-4642

Re: OCC Applications for
Compulsory Pooling...
Western Oil Fields
Gulf Oil Corporation
Drinkard - Sims

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

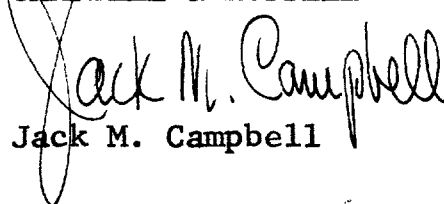
Dear Mr. Porter:

I have been advised that the four cases for compulsory pooling have been settled between the parties and you may therefore consider this letter as a request for dismissal of the cases when they come on for hearing before the Commission on August 15th.

Copies of this letter are being sent to all of the attorneys representing Western Oil Fields, Gulf Oil Corporation and the royalty owners involved.

Very truly yours,

CAMPBELL & RUSSELL


Jack M. Campbell

JMC:bb

cc: Mr. Chas. J. Murray
cc: Mr. Howell R. Spear
cc: Mr. George L. Reese

WESTERN OIL FIELDS, INC.

1827 GRANT STREET

POST OFFICE BOX 1139 DENVER, COLORADO

TELEPHONE MAIN 3-0226

February 19, 1957

Mr. A. L. Porter, Jr.
New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

RE: Drinkard No. 2 Well, SW/4 Sec. 30,
T-22-S, R-38-E; Drinkard No. 4 Well,
NE/4 Sec. 25, T-22-S, R-37-E.

Dear Mr. Porter:

We have your letter of February 6, 1957, wherein you mention the difference in dates between our notification to the Commission that the subject acreage had been unitized for gas purposes and the final instrument of agreement.

Copies of three items of correspondence are enclosed in explanation of the "discrepancy". First, a letter from the Gulf to us reviewing the negotiations regarding the gas units and setting forth the gist of the agreements; the date is January 20, 1955. Second, our reply to the Gulf, dated February 22, 1955, accepting, in substance, the stated terms; shortly thereafter we were advised that the applicable instruments were being prepared. Third, a letter from the Gulf to us, which is included only because there is mention made therein that the agreements had previously been reached.

The paper work was actually quite involved, there being some twelve instrument, and two or three exchanges were necessary for re-drafting and correcting. At any rate, the completed forms were furnished to us in July, 1956. The situation is somewhat unusual, but we definitely informed you correctly of the facts in February, 1955, and they were that agreement had been reached with the Gulf and that Gulf and Western were the only working-interest owners involved.

Also enclosed are copies of the other agreements to complete your file on the subject acreage.

WESTERN OIL FIELDS, INC.

Mr. A. L. Porter, Jr. - 2

February 19, 1957

Please advise if the information you have is now adequate or if you need additional data in this matter.

Very truly yours,

A handwritten signature in dark ink, appearing to read "R. M. Barnholt, Jr.", written in a cursive style.

R. M. Barnholt, Jr.

RMBJr/nw
Enclosures

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO.

Case 1261

February 25, 1957

C
O
P
Y

Western Oil Fields, Inc.
1827 Grant Street
P.O. Box 1139
Denver, Colorado

ATTENTION: R. M. Barnholt, Jr.

Re: Drinkard No. 2 Well, SW/4 Sec. 30,
T-22-S, R-38-E; Drinkard No. 4 Well,
NE/4 Sec. 25, T-22-S, R-37-E

Gentlemen:

Thank you for your letter of February 19th, 1957, and the documents submitted therewith concerning the above-referenced wells.

With the communitization agreement for the Drinkard No. 4 Well, our records are now complete and no further information will be required of you.

Yours very truly,

A. L. Porter, Jr.
Secretary - Director

ALP/WJC:bp

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Date 8/28/5

CASE 1261, 1262, 1263 & 1263

Hearing Date from June 13, July 17, & Aug 15, 195
@ SC before OC

My recommendations for an order in the above numbered cases are as follows:

Please Write orders of Dismissal

Barrett Manton
Staff Member

LAW OFFICES OF
CAMPBELL & RUSSELL
J. P. WHITE BUILDING
ROSWELL, NEW MEXICO

Case # 1261

JACK M. CAMPBELL
JOHN F. RUSSELL

12 July 1957

TELEPHONES
MAIN 2-4641
MAIN 2-4642

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

Dear Pete:

For your information, I am going to request a continuance of the Gulf - Western compulsory pooling cases to the August 15th hearing. It appears that these cases are going to be settled, but a little more time is needed to completely wind up the matter.

With kindest regards, I am

Very truly yours,

Jack M. Campbell

Jack M. Campbell
For: CAMPBELL & RUSSELL

JMC:bb

JACK M. CAMPBELL
JOHN F. RUSSELL

LAW OFFICES OF
CAMPBELL & RUSSELL
J. P. WHITE BUILDING
ROSWELL, NEW MEXICO
6 May 1957

Reg. June 13 1957
C.S.F.

TELEPHONES
MAIN 2-4641
MAIN 2-4642

Mr. A. L. Porter, Jr.
New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Case 1261

Dear Mr. Porter:

You will find enclosed original and two copies of the following Applications:

1. In the Matter of the Application of Gulf Oil Corporation and Western Oil Fields, Inc. for a Compulsory Pooling Order as to Gas in the Blinebry and Tubb Gas Pools Under the SW $\frac{1}{4}$ Section 30, Township 22 South, Range 38 East, Lea County, New Mexico.
2. In the Matter of the Application of Gulf Oil Corporation and Western Oil Fields, Inc. for a Compulsory Pooling Order as to Gas in the Blinebry and Tubb Gas Pools under the SE $\frac{1}{4}$ Section 30, Township 22 South, Range 38 East, Lea County, New Mexico.
3. In the Matter of the Application of Gulf Oil Corporation and Western Oil Fields, Inc. for a Compulsory Pooling Order as to Gas in the Blinebry and Tubb Gas Pools under the NE $\frac{1}{4}$ Section 25, Township 22 South, Range 37 East, Lea County, New Mexico.
4. In the Matter of the Application of Gulf Oil Corporation and Western Oil Fields, Inc. for a Compulsory Pooling Order as to Gas in the Blinebry and Tubb Gas Pools under the SE $\frac{1}{4}$ Section 25, Township 22 South, Range 37 East, Lea County, New Mexico.

Please file these and set them down for the June statewide hearing. We assume that the Commission will publish the appropriate notice as required by law.

Very truly yours,

CAMPBELL & RUSSELL

Jack M. Campbell
Jack M. Campbell

JMC:bb

Enclosures

cc: Mr. David Stephens
Gulf Oil Corporation