

## AFFIDAVIT OF PUBLICATION

State of New Mexico,

County of Lea.

Robert L. Summers,  
Publisher

of the Hobbs Daily News-Sun, a daily newspaper published at Hobbs, New Mexico, do solemnly swear that the clipping attached hereto was published once a week in the regular and entire issue of said paper, and not in a supple-

ment thereof for a period of \_\_\_\_\_

One time ~~week~~

Beginning with the issue dated \_\_\_\_\_

August 7, 1959

and ending with the issue dated \_\_\_\_\_

August 7, 1959

Robert L. Summers  
Publisher.

Sworn and subscribed to before

me this 10 day of \_\_\_\_\_

August, 1959

M. L. Barnes  
Notary Public.

My commission expires \_\_\_\_\_

3-17, 1961

(Seal)

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937, and payment of fees for said publication has been made.

## LEGAL NOTICE Aug. 7, 1959 NOTICE OF PUBLICATION STATE OF NEW MEXICO OIL CONSERVATION COMMISSION SANTA FE, NEW MEXICO

The State of New Mexico by its Oil Conservation Commission hereby gives notice pursuant to law and the Rules and Regulations of said Commission promulgated thereunder of the following public hearing to be held at 9:00 o'clock a.m., on August 19, 1959, at Mabry Hall, State Capitol, Santa Fe, New Mexico, before Daniel S. Nutter, Examiner, or A. L. Porter, Jr., Secretary-Director, duly appointed for said hearing as provided by law.

### STATE OF NEW MEXICO TO:

All named parties and persons having any right, title, interest or claim in the following case, and notice to the public.

(Note: All land descriptions herein refer to the New Mexico Principal Meridian, whether or not so stated).

CASE 1683: (Continued)

Application of Gulf Oil Corporation for a non-standard gas proration unit and for an order force pooling the interests therein.

Applicant, in the above-styled cause, seeks the establishment of a 477-acre non-standard gas proration unit in the Eumont Gas Pool consisting of the N/2 and the SE/4 of Section 19, Township 19 South, Range 37 East, Lea County, New Mexico, to be dedicated to applicant's B. V. Culp "A" Well No. 3, located 1980 feet from the North and West lines of said Section 19. Applicant further seeks an order force pooling the interests of those in said non-standard gas proration unit who have gas rights within the vertical limits of the Eumont Gas Pool, including the following-named persons or parties who have not consented to the pooling agreement:

Sally B. Ownby Bigler; Elizabeth R. Davis; Margaret Lewis Estes and Frances Lewis Kramer, sole heirs, devisees and Executors of the Estate of Adrena Lewis, Deceased; H. B. Fuqua, Independent Executor of the Estate of Clifford Moers, Deceased; Mary Louise Gedge; Heirs or Devisees and Personal Representatives of Alfred V. C. Genung, Deceased; Charles Wilfred Grimes II, a minor; Gladys Grimes, Guardian of the Estate of Lady Jane Grimes, a minor; Josephine Grimes and Oscar L. Grimes, Trustees under the Will of Charles W. Grimes, Deceased; Lady Jane Grimes, a minor; Mary Elizabeth Grimes, a minor; Park Templeton Grimes, an incompetent person; Velva Grimes, Guardian of the Estates of Charles Wilfred Grimes II, and Mary Elizabeth Grimes, minors; Florence A. Hancock; William A. Hudson and Edward R. Hudson, Trustees under the Will of H. S. Jones, Deceased; Mrs. Helen Stevens Jones; John Morgan Jones; Harry Kenneth Jones; Frances L. Kramer; A. R. Leftwich; Lorraine B. Leftwich, Trus-

tee under the Will of Ralph W. Leftwich, Deceased; Mack Leftwich; Morris M. Leftwich; O. L. Lupardus, Guardian of the Estate of Park Templeton Grimes, an incompetent person; Carl E. Magenheimer; M. H. McGrail; Peerless Oil and Gas Company; Mary Josephine Romanzon; Southern Petroleum, Inc.; and all other persons or parties whatsoever owning oil and gas interests in the said North Half and Southeast Quarter of Section 19, Township 19 South, Range 37 East, Lea County, New Mexico.

GIVEN, under the seal of the New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 5th day of August, 1959.

STATE OF NEW MEXICO  
OIL CONSERVATION  
COMMISSION

A. L. PORTER, JR.,  
Secretary.

(SEAL)

CLASS OF SERVICE

This is a fast message unless its deferred character is indicated by the proper symbol.

# WESTERN UNION

## TELEGRAM (14).

W. P. MARSHALL, PRESIDENT

SYMBOLS

DL=Day Letter

NL=Night Letter

LT=International Letter Telegram

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(R 11-54)

The filing time shown in the date line on domestic telegrams is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination

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NEW MEXICO OIL CONSERVATION COMMISSION=

STATE CAPITOL SANTA FE NMEX=

ATTENTION MR A. L. PORTER. JR

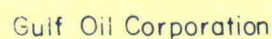
RE: CASE NO. 1683 TO BE HEARD JUNE 3, 1959, PLEASE  
HAVE FOLLOWING STATEMENT READ INTO RECORD:

"SHELL OIL COMPANY HOLDS FULL WORKING INTEREST ON  
AN 80 ACRE, STATE OF NEW MEXICO LEASE TO BE INCLUDED  
IN THE PROPOSED 477-ACRE GAS PRORATION UNIT AND HEREBY  
URGES APPROVAL OF GULF'S APPLICATION IN CASE NO. 1683  
IN ORDER TO PREVENT WASTE AND PROTECT CORRELATIVE RIGHTS."

P A DENNIE DIVN PRODUCTION MGR ROSWELL NEW MEXICO==

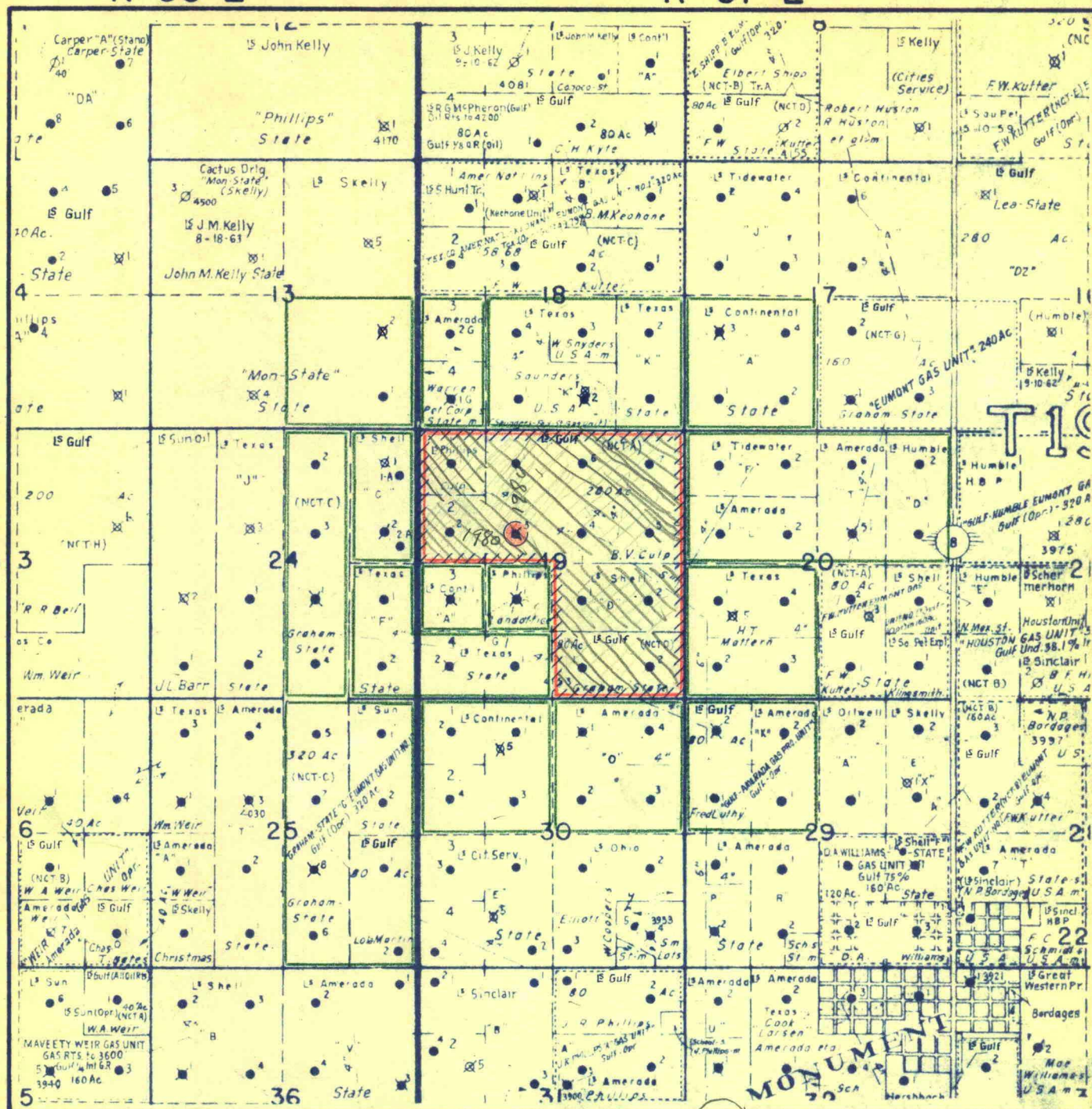
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R-37-E








R-37-E



B.V.CULP (NCT-A) EUMONT GAS UNIT NO. 1

LEA COUNTY, NEW MEXICO

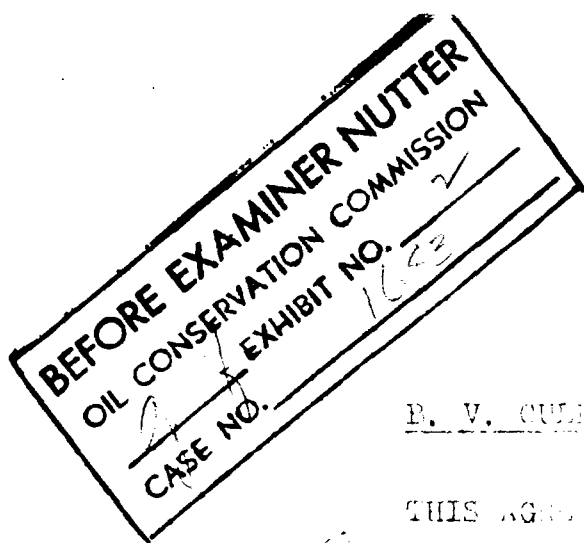
-LEGEND-

-  Proposed Unit Boundary  
 Surrounding Eumont Proration Unit Boundries  
 Pertinent Gulf Well

Case No. 1683  
Exhibit No. 1

August 19, 1959

BEFORE EXAMINER NUTTER  
OIL CONSERVATION COMMISSION  
Quelf EXHIBIT NO. 1  
CASE NO. 1683



ILLEGIBLE

OFFICE OF THE EXAMINER

P. V. GULF (NOT-A) APPEAL NO. 1

THIS AGREEMENT made and entered into this 21<sup>st</sup> day of December, 1934, and between GULF OIL CORPORATION, hereinafter called "Gulf", SHELL OIL COMPANY, hereinafter called "Shell", and PHILLIPS PETROLEUM COMPANY, hereinafter called "Phillips",

WITNESSETH, that

WHEREAS, Gulf is the owner and holder of an oil and gas lease dated May 3, 1923, from Dexter V. Culp, et al, as Lessor, to Gypsy Oil Company, as lessee, covering among other lands the SW<sup>1</sup>/<sub>4</sub> NW<sup>1</sup>/<sub>4</sub>, E<sup>1</sup>/<sub>2</sub> NW<sup>1</sup>/<sub>4</sub>, and the NE<sup>1</sup>/<sub>4</sub> of Section 19, Township 19 South, Range 37 East, N.M.P.M., Lea County, New Mexico; and

WHEREAS, Gulf is also the owner and holder of State of New Mexico oil and gas lease No. A-1945 dated December 29, 1923, from the State of New Mexico, as Lessor, to Gypsy Oil Company, as Lessee, covering among other lands the S<sup>1</sup>/<sub>2</sub> SE<sup>1</sup>/<sub>4</sub> of Section 19, Township 19 South, Range 37 East, N.M.P.M., Lea County, New Mexico; and

WHEREAS, Shell is the owner and holder of State of New Mexico oil and gas lease No. L-11 dated September 5, 1932, from the State of New Mexico, as Lessor, to Shell Petroleum Corporation, as Lessee, covering among other lands the N<sup>1</sup>/<sub>2</sub> SE<sup>1</sup>/<sub>4</sub> of Section 19, Township 19 South, Range 37 East, N.M.P.M., Lea County, New Mexico; and

WHEREAS, Phillips is the owner and holder of an oil and gas lease dated August 7, 1923, from Harvey Culp, et al, as Lessor, to B. L. Thorne, as Lessee, covering the NW<sup>1</sup>/<sub>4</sub> NW<sup>1</sup>/<sub>4</sub> of Section 19, Township 19 South, Range 37 East, N.M.P.M., Lea County, New Mexico; and

WHEREAS, it is the desire of all of the parties hereto that this agreement cover the N<sup>1</sup>/<sub>2</sub> and the SE<sup>1</sup>/<sub>4</sub> of Section 19, Township 19 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 separate tracts comprising said unit in the proportion that the acreage interest contained in each of the tracts bears to the entire surface acreage of said unit. 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.

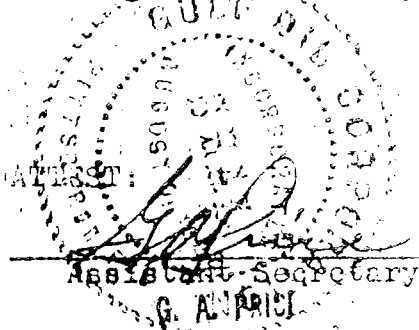
It is further agreed that all production of dry gas and associated liquid hydrocarbons and disposal thereof shall be in conformity with allocations made or fixed by any duly authorized person or regulatory body under applicable Federal or State statute. The provisions of this agreement shall be subject 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

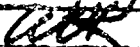
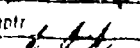
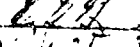
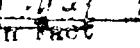
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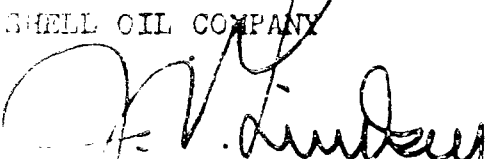
effect for a period of one (1) year and so long thereafter as dry gas, with or without associated liquid hydrocarbons, is produced from any part of said pooled production unit in paying quantities. It is further provided that after the expiration of said one-year period, should the unit well or wells be reclassified by the New Mexico Oil Conservation Commission, or should the pooled production 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.

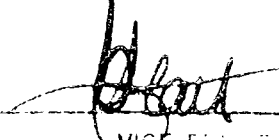
IN WITNESS WHEREOF, the parties hereto have executed this agreement the day and year herein first above written.

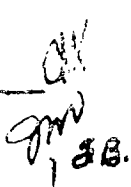
  
\_\_\_\_\_  
Assistant Secretary  
G. ALPHEI

GULF OIL CORPORATION  
By   
W. A. SHELLSHEAR Attorney in Fact  

Law	
Comptroller	
Exp.	
Prod.	

SHELL OIL COMPANY  
By   
Attorney-in-Fact

PHILLIPS PETROLEUM COMPANY  
By   
VICE PRESIDENT

  
J. H. Smith



# ILLEGIBLE

NEW MEXICO  
STATE OF TEXAS  
CHAVES  
COUNTY OF TARRANT

On this 21 day of March, 1958, before me personally appeared W. A. SHELLSHEAR, to me personally known, who being by me duly sworn, did say that he is the Attorney in Fact of GULF 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 the said W. A. SHELLSHEAR 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 this, the day and year last above written.

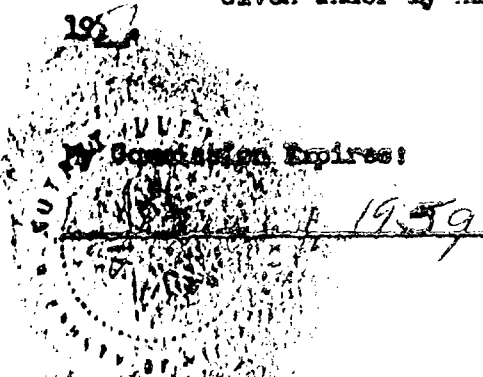


L. B. Parker  
Notary Public in and for Tarrant CHAVES  
County, Texas NEW MEXICO

STATE OF TEXAS  
COUNTY OF MIDLAND

Before me, the undersigned authority, on this day personally appeared J. V. Lindsey, known to me to be the person whose name is subscribed to the foregoing instrument as Attorney in Fact for Shell Oil Company and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and as the free act and deed of said Shell Oil Company in the capacity therein stated.

Given under my hand and seal of office this 26 day of December, 1957



Jean Akins  
Notary Public in and for Midland  
County, Texas

Jean Akins  
Notary Public in and for  
Midland County, Texas



CERTIFICATE OF APPROVAL

BY COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

**GULF'S B. V. CULP "A" NO. 3 WELL- COMMUNITIZATION**

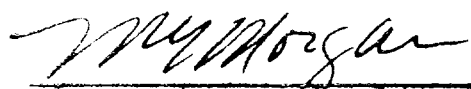
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There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, the attached Agreement for the development and operation of acreage which is described within the attached Agreement, dated December 26, 1957, 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 12th. day of August 19 58.

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



BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

APPLICATION OF GULF OIL CORPORATION FOR  
AN ORDER GRANTING AN EXCEPTION TO RULE  
5 (a) OF THE SPECIAL RULES AND REGULA-  
TIONS FOR THE EUMONT GAS POOL AS SET  
FORTH IN ORDER R-520 FOR THE ESTABLISH-  
MENT OF A NON-STANDARD 477.19 ACRE GAS  
PRORATION UNIT CONSISTING OF THE N/2  
AND SE/4 OF SECTION 19, TOWNSHIP 19  
SOUTH, RANGE 37 EAST, LEA COUNTY, NEW  
MEXICO, AND THE POOLING OF THE INTERESTS  
THEREIN OF THE GAS RIGHTS WITHIN THE  
VERTICAL LIMITS OF THE EUMONT GAS POOL.

NO. 1683

Comes now the Applicant, Gulf Oil Corporation, hereinafter re-  
ferred to as "Gulf", and states to the Commission the following facts:

1. That heretofore, on December 26, 1957, Gulf entered into a  
certain Gas Pooling Agreement by and between Phillips Petroleum Company,  
hereinafter referred to as "Phillips", and Shell Oil Company, hereinafter  
referred to as "Shell", as Non-Operators, and Gulf, as Operator, said  
pooling agreement covering 477.19 acres consisting of the N/2 and SE/4  
of Section 19, Township 19 South, Range 37 East, N.M.P.M., Lea County,  
New Mexico, and being effective as to gas and associated liquid hydro-  
carbons produced within the vertical limits of the Eumont Gas Pool through  
Gulf's B. V. Culp "A" Well No. 3, located 1980 feet from the North and  
West lines of Section 19, above described. Said Gas Pooling Agreement  
has been designated B. V. Culp (NCT-A) Eumont Gas Unit No. 1.

2. Gulf's B. V. Culp "A" Well No. 3, the Unit Well which was  
completed on February 14, 1956, as a gas-oil dual well producing gas from  
the Eumont Gas Pool and oil from the Monument Oil Pool, is located 660  
feet North of the South boundary line of the NW/4, necessitating an ex-  
ception to Rule 5 (a) of Order R-520, but is otherwise favorably situated  
to effectively drain the N/2 and SE/4 of Section 19, above described, com-  
prising the B. V. Culp (NCT-A) Eumont Gas Unit No. 1.

3. Lease interests in the SE/4 of Section 19, above described,  
are State Leases A-1543 and B-1167 owned and held by Gulf and Shell, re-  
spectively, and the Commissioner of Public Lands of the State of New  
Mexico has heretofore endorsed his approval of the aforesaid Gas Pooling



Agreement on August 12, 1958.

4. Phillips is the owner and holder of an oil and gas lease dated August 7, 1928, from Harvey Culp, et ux, et al, covering the NW/4 NW/4 (Lot 1) of Section 19, above described, and all royalty interest owners in and under said lease have executed ratifications and consents to the said Gas Pooling Agreement.

5. That Gulf is the owner and holder of an oil and gas lease dated May 6, 1926, from Baxter V. Culp, et ux, covering, among other lands, the NE/4, the E/2 NW/4 and SW/4 NW/4 (Lot 2) of Section 19, above described; that royalty interests in said lease are extremely diversified and contain both divided and undivided interests; that Gulf has heretofore mailed to all royalty owners a copy of said Gas Pooling Agreement and in good faith requested each of them to ratify and consent to said agreement; that a majority in interest of said royalty owners have heretofore ratified said agreement and consented to the proposed pooling of gas and associated liquid hydrocarbons within the vertical limits of the Eumont Gas Pool; that some royalty owners, owning a minority of the royalty interests in the N/2 of said Section 19, have failed to reply or have withheld their consent and ratification; and that copies of this Application have been mailed to all royalty owners who have not consented to and ratified the aforesaid Gas Pooling Agreement.

6. By the Commission's Administrative Order NSP-256 dated April 25, 1956, the SW/4 NW/4 (Lot 2), the E/2 NW/4 and the NE/4 of Section 19, above described, all of which is covered by Gulf's Baxter V. Culp Lease, described hereinabove, was dedicated to a non-standard proration unit in the Eumont Gas Pool ascribed to Gulf's B. V. Culp "A" Well No. 3, and pursuant to said order all royalty owners in Gulf's Baxter V. Culp Lease have since been receiving their proportionate shares of the gas and associated liquid hydrocarbons.

7. By virtue of Section 65-3-11 (10) and 65-3-14 (c), New Mexico Statutes 1953 Annotated, the Commission has the power to fix the spacing of wells and to require pooling if under the enforcement of a uniform spacing plan or proration unit the smallness or shape of separately owned tracts would otherwise deprive or tend to deprive the owners of such tracts

the opportunity to recover their just and equitable share of the oil or gas in the pool; that in Order No. R-520 the Commission fixed the spacing of gas wells on a standard unit in the Eumont Gas Pool at one well for each 640 acre Section; that Phillips' lease contains less than 40 acres; that Shell's State Lease No. B-1167 contains 80 acres; and that Gulf's State Lease No. A-1543 also contains 80 acres; that all contiguous lands in the SW/4 of Section 19 and in Sections 17, 18, 20, 29 and 30 in Township 19 South, Range 37 East, and in Sections 13, 24 and 25 in Township 19 South, Range 36 East, are committed to gas wells producing out of the Eumont Gas Pool; and that the failure of the Commission to confirm the commitment of all lands to the B. V. Culp (NCT-A) Eumont Gas Unit No. 1, and the failure of the Commission to require the pooling of all royalty interests within the N/2 and SE/4 of Section 19, above described, would deprive or tend to deprive the owners of tracts in Section 19, above described, of the opportunity to recover their just and equitable share of the gas and associated liquid hydrocarbons in the Eumont Gas Pool.

WHEREFORE APPLICANT REQUESTS that the Commission enter its order granting an exception to Rule 5 (a) of the Special Rules and Regulations of the Eumont Gas Pool as set forth in Order R-520 for the establishment of a 477.19 acre non-standard gas proration unit consisting of the N/2 and SE/4 of Section 19, Township 19 South, Range 37 East and approving the B. V. Culp (NCT-A) Eumont Gas Unit No. 1.

APPLICANT FURTHER REQUESTS that the Commission enter its order requiring the pooling of all royalty interests whose owners have not ratified or consented to the B. V. Culp (NCT-A) Eumont Gas Unit No. 1.

Respectfully submitted,

GULF OIL CORPORATION

By William V. Foster