

STRUCTURE MAP \* EUMONT GAS AREA  
 Contoured on Top of Penrose (Lower Queen)  
 Contour Interval: 50 feet  
 Scale: 1" = 2000'

--LEGEND--

○ TEXACO Inc. Gas Well  
 Proposed Gas Unit

○ Offset Gas Well  
 Offset Gas Unit

BEFORE EXAMINER NUTTER  
 OIL CONSERVATION COMMISSION  
 EXHIBIT NO. 1  
 CASE NO. 1801

TEXACO INC. (Owner of approximately two-thirds of working interest in unit)

(1) Kenneth F. Duncan ✓  
#14 Romca Road  
Poughkeepsie, New York

(2) Walter L. Gockley ✓  
2404 S. Radcliffe Place  
Bayshore Gardens  
Bradenton, Florida

(3) Eudeana B. Newcomb ✓  
1937 Northwest 17th St.  
Oklahoma City, Oklahoma

(4) Mr. Roy H. Nicolai, Administrator ✓  
Hal M Nicolai Estate  
% Wm. H. Anderson CPA  
419 Board of Trade Bldg.  
Portland 4, Oregon

GULF OIL CORPORATION- (Owner of approximately one-third of working interest in unit)

(5) Mrs. Frances L. Kramer ✓  
2119 E. 31 Place  
Tulsa, Oklahoma

(6) J. L. Reed ✓  
Lovington, New Mexico

(7) Estate of Dr. Ralph Sullivan, deceased ✓  
Edward A. Golden, Administrator  
5672 Washington Boulevard  
Chicago 44, Illinois

(8) G. T. Hanners ✓  
Stansell Building  
Lovington, New Mexico

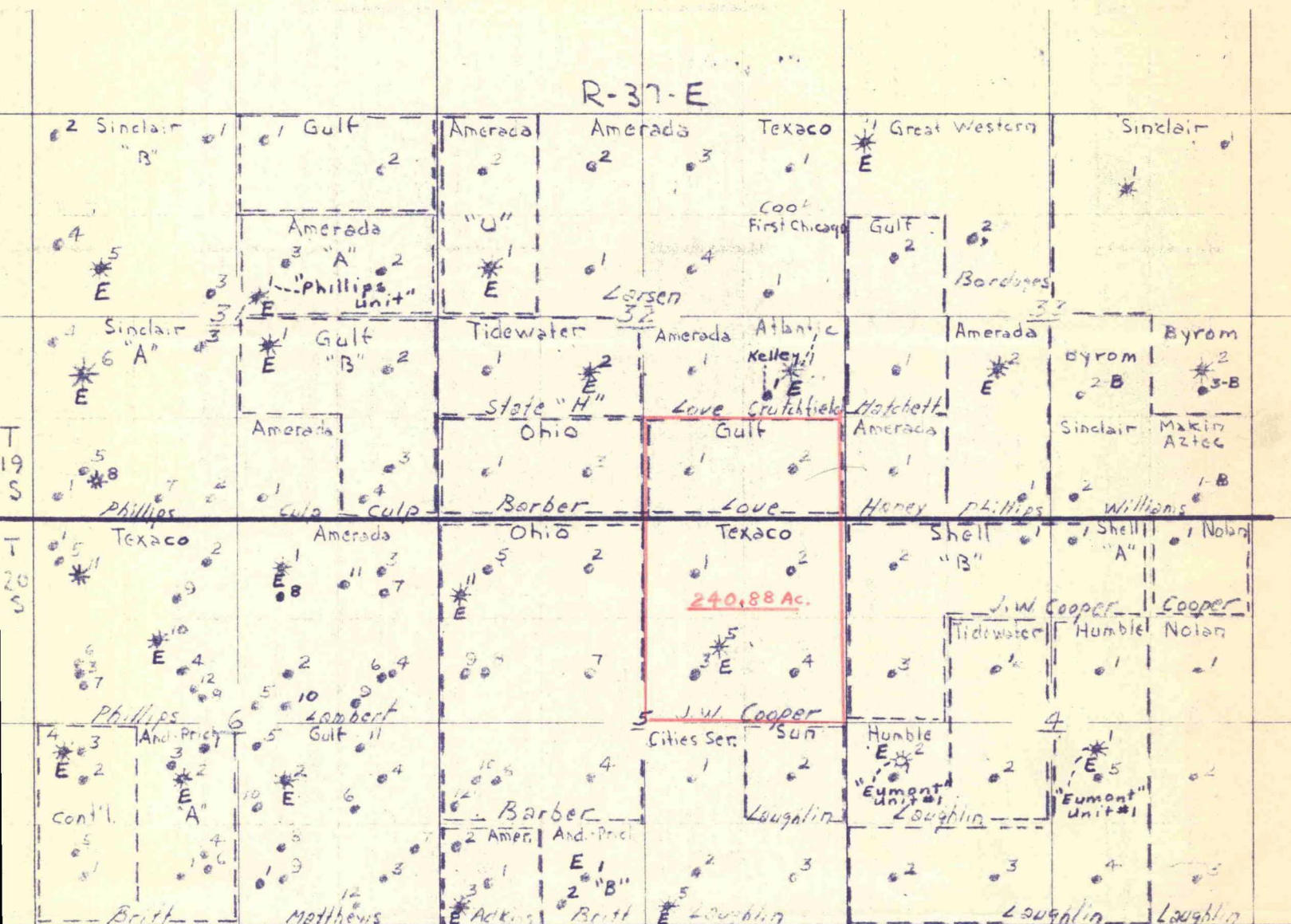
44 royalty  
owners  
41 signed

32 royalty owners  
↓ have failed to sign

3-16-59  
4-15-59  
6-10-59  
7-16-59  
(inter)



# LEA COUNTY, NEW MEXICO



## OWNERSHIP MAP - EUMONT GAS AREA

Scale: 1" = 2000'

### LEGEND

E-Eumont Gas Well

— Eumont Gas Proration Unit

### OFFSET OPERATORS

Amerada Petroleum Corporation, P. O. Drawer D, Monument, New Mexico  
 Cities Service Oil Company, P. O. Box 97, Hobbs, New Mexico  
 Gulf Oil Corporation, P. O. Drawer 669, Roswell, New Mexico  
 Humble Oil and Refining Company, P. O. Box 2347, Hobbs, New Mexico  
 Ohio Oil Company, P. O. Box 2107, Hobbs, New Mexico  
 Shell Oil Company, P. O. Box 845, Roswell, New Mexico  
 Sun Oil Company, P. O. Box 1861, Midland, Texas

# PERMIAN BASIN PIPELINE COMPANY

2223 DODGE STREET

OMAHA 1, NEBRASKA

October 23, 1959

2223

Texaco, Inc.  
Box 1720  
Midland, Texas

Attention: Mr. Bob Shoemaker

Re: Texaco, Inc.  
Cooper #5 Well Unit  
Eumont Pool  
Sec. 5-20S-37E  
Lea County, New Mexico

Gentlemen:

This is to advise that Permian Basin Pipeline Company, as purchaser of the gas production from the referenced well, will, by December 1, 1959, have the gas production from this well unit in balance.

Yours very truly,



James P. Coyle  
Gas Purchases Division

JPC:lmw

cc: A. F. Koons  
O. J. Leveritt

GAS POOLING AGREEMENT

THIS AGREEMENT, made and entered into this 24th day of February, 1959, by and between THE TEXAS COMPANY, hereinafter called "Texaco" and GULF OIL CORPORATION, hereinafter called "Gulf",

WITNESSETH, THAT:

WHEREAS, Texaco is the owner and holder of an oil and gas lease dated September 14, 1926, from James W. Cooper et ux as Lessor to Texas Production Company as Lessee, covering the Northeast 1/4 of Section 5, Twp. 20 South, Range 37 East, N.M.P.M., Lea County, New Mexico; and

WHEREAS, Gulf is the owner and holder of an oil and gas lease dated August 18, 1928, from May L. Love et vir, as Lessor, to Harry J. Brown as Lessee, covering among other lands the South 1/2 of the Southeast 1/4 of Section 32, Twp. 19 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 Northeast 1/4 of Section 5, Twp. 20 South, Range 37 East, and the South 1/2 of the Southeast 1/4 of Section 32, Twp. 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

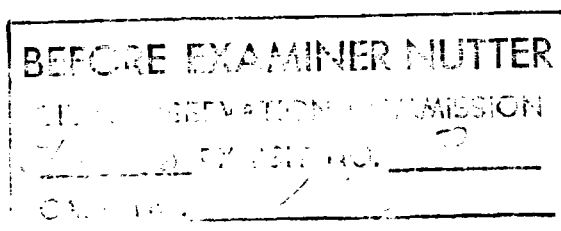
WHEREAS, in order to comply with existing rules and regulations governing gas well spacing and gas proration units, and to acquire a gas allowable for the above described pooled proration unit, it is the desire of the parties hereto to pool all leasehold and royalty interests in order to form one tract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

WHEREAS, Texaco 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 Texaco, 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 Texaco, 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 Texaco, 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.

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 (1) 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. 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 proration 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 first above written.

Approved as to:

Terms RTM/LLH

Form LLH

THE TEXAS COMPANY

By J. L. Sleeper Jr.  
Attorney-in-Fact

GULF OIL CORPORATION

By W. A. Shellshear  
Attorney-in-Fact

|        |            |
|--------|------------|
| Law    | <u>LLH</u> |
| Compt. |            |
| Exp.   | <u>LLH</u> |
| Prod.  | <u>LLH</u> |

S. A. PRICE

The foregoing instrument was acknowledged before me this 4th day of March, 1959, J. L. Sleeper Jr., Attorney-in-Fact for The Texas Company, a corporation, on behalf of said corporation.

Ann Matthews  
Notary Public in and for  
Tarrant County, State of Texas.  
ANN MATTHEWS

The foregoing instrument was acknowledged before me this 24th day of February, 1959, W. A. Shellshear, Attorney In Fact,

Erna Marie Coates  
Notary Public in and for  
CHAVES County, NEW MEXICO





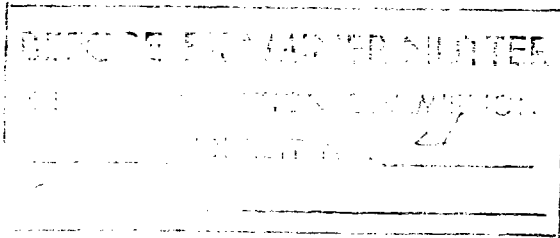
PETROLEUM AND ITS PRODUCTS

# GULF OIL CORPORATION

P. O. DRAWER 669 • ROSWELL, NEW MEXICO

F. E. CURTIS, JR.  
DISTRICT LANDMAN

FORT WORTH  
PRODUCTION DIVISION



Texaco, Inc. - J. W. Cooper  
Eumont Gas Pool Proration  
Unit No. 1 - NE/4 of Section 5,  
T-20-S, R-37-E, and S/2 SE/4  
of Section 32, T-19-S, R-37-E,  
Lea County, New Mexico.

Gulf Oil Corporation's May Love Lease No. 18644 covers the S/2 SE/4 of Section 32-19S-37E. Our records reflect that you own a portion of the royalty payable under this lease. Texaco, Inc. owns an oil and gas lease on the NE/4 of Section 5-20S-37E. Texaco has a producing gas well located in the NE/4 SW/4 NE/4 of Section 5. A study of the geological data in connection with this gas well has shown that it will adequately drain all of the Eumont Gas Pool underlying the S/2 SE/4 Section 32 and the NE/4 of Section 5. Therefore, Gulf and Texaco have agreed to pool their respective leasehold estates for production of gas from the Eumont Gas Pool under this 240 acre tract.

When a gas well is capable of producing all the gas from a particular pool under a 240-acre tract, as in this case, the rules of the Conservation Commission permit the owners of leases and royalties in such a tract to pool their interests with the other leasehold and royalty owners therein.

Such pooling does not impose a loss or penalty on any participant therein and the royalties payable from the unit well are based on the proportionate acreage ownership of each royalty owner as to all other royalty owners and the working interest owners' returns from the unit well are based on the proportionate acreage ownership of each leasehold owner as to all other leasehold owners. The only effect of the gas unit is to spread the royalty and leasehold owners' interests in the pooled gas zone over the entire 240-acre unit. [For example, if a royalty owner has a ten royalty acre interest under an 80-acre tract and his interest is pooled into a 240-acre gas unit, he will then have a ten royalty acre interest in a 240-acre tract and the production creditable to his interest will remain the same because the 240-acre unit, although three times as large as the 80-acre tract, will be allowed to produce three times as much gas as the 80-acre tract.] Production from wells not completed in the pooled zone is not affected in any manner by the pooling agreement.

We feel that it is advantageous both for you and ourselves equally that the subject gas unit be formed, and in this view, we are enclosing herewith a copy of the gas pooling agreement covering the subject unit with the request that if you agree with us and the terms of the agreement are satisfactory to you, you will execute, acknowledge and return one of the enclosed consent and ratification instruments to us in the envelope herein provided at your earliest convenience. The copy of the gas pooling agreement and the extra copy of the consent and ratification are enclosed for your files. The consent and ratification must be acknowledged before a Notary Public and the wife or husband, as the case may be, should join in the execution of the consent and ratification. Because of the many interests under the unit, the instruments are being executed in counter-part by all concerned.

In the event you no longer own an interest in the royalties from the S/2 SE/4 of Section 32, we would appreciate your returning the enclosed instruments and this letter to us stating therewith the name and address of the present owner of the interest.

If you wish further information in connection with the subject gas unit, we will be pleased to answer any questions you have in this connection.

Very truly yours,

  
F. E. CURTIS, JR.

Enclosures



CONSENT AND RATIFICATION  
GAS POOLING AGREEMENT  
EMBRACING LANDS IN LEA COUNTY, NEW MEXICO

The undersigned (whether one or more) hereby acknowledge receipt of a copy of a Gas Pooling Agreement for the creation of a gas proration unit consisting of the NE/4 of Section 5, Township-20-South, Range-37-East, and the S/2 SE/4 of Section 32, Township-19-South, Range-37-East, NMPM, Lea County, New Mexico, within the vertical limits of the Eumont Gas Pool, which said agreement is dated February 24, 1959, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned being the owners of the leasehold, royalty or other interest in the lands or minerals embraced in said pooled area, do hereby commit all of their said interest to the Gas Pooling Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Gas Pooling Agreement or a counterpart thereof.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_\_  
day of \_\_\_\_\_, 1959, by \_\_\_\_\_.

\_\_\_\_\_  
Notary Public

My Commission Expires:  
\_\_\_\_\_

# THE TEXAS COMPANY

TEXACO PETROLEUM PRODUCTS



DOMESTIC PRODUCING DEPARTMENT  
WEST TEXAS DIVISION

P. O. BOX 1720  
FORT WORTH 1, TEXAS  
March 16, 1959

41626 - James W. Cooper et ux Lease  
Lea County, New Mexico

BEFORE EXAMINER NUTTER  
OIL CONSERVATION COMMISSION  
*Texaco* EXHIBIT NO. 5  
CASE NO. 1801

The captioned Texaco lease covers the NE/4 of Section 5, T-20-S, R-37-E, Lea County, New Mexico. On this tract we completed our Cooper Well No. 5 on February 24, 1954, as a producing gas well. As you know, this well currently produces its top allowable from the Eumont gas zone at approximately 3500 feet.

The Gulf Oil Corporation is the owner of a lease in the SE/4 of Section 32, T-19-S, R-37-E, directly offsetting our lease to the North. The Texas Company is presently negotiating with Gulf to combine their lease of the S/2 SE/4 of Section 32 with Texaco's in the NE/4 of Section 5 to create a 240 acre Eumont Gas Proration Unit. At this time Gulf's lease does not contain a Eumont gas outlet, and it is believed that the combination of these two tracts in this zone utilizing Texaco's well will result to the mutual benefit of all interest owners.

The enlarged 240 acre proration unit will receive a full proration allowable in this formation. We anticipate that no change in current income to the royalty owners will result. Also, no expense to the royalty owners will be incurred by the formation or operation of the unit. As a royalty owner under our lease, we desire your cooperation. A copy of our Gas Pooling Agreement creating this proration unit is enclosed for your inspection. We request your approval to this agreement and your execution to the enclosed Ratification instrument.

Please execute one copy of the Ratification of Gas Pooling Agreement before a notary public and return same to us. Your prompt consideration will be appreciated.

Yours very truly,

R. T. Maxwell  
Division Landman

By *R. E. Hellman*  
R. E. Hellman

BEH:mj

Enc.

*All held out parties on  
this date must have calls  
per below. 4/15*

April 15, 1959

41526 - James W. Cooper et ux Lease  
Lea County, New Mexico

Mr. and Mrs. C. E. Rawlinson  
12221 S. W. Edgessiff Road  
Portland 1, Oregon

Dear Mr. and Mrs. Rawlinson:

Please refer to our letter of March 16, 1959, wherein we discussed a unitization plan for our above lease in Lea County, New Mexico. A copy of our Gas Pooling Agreement creating the proposed proration unit as well as a copy of the Ratification instrument were enclosed in the aforementioned letter for your inspection.

We would appreciate your executing the instrument entitled "Ratification of Gas Pooling Agreement" before a Notary Public and returning same to this office as soon as possible. If you desire additional information regarding the proposed plan, please advise.

Yours very truly,

R. T. Maxwell  
Division Landman

By \_\_\_\_\_  
B. E. Hallman

BEH:mj

June 10, 1959

41626 - James W. Cooper et ux Lease  
Lea County, New Mexico

REGISTERED - Return Receipt Requested

Hal M. Nicolai  
Box 4012  
Portland 8, Oregon

Dear Mr. Nicolai:

Enclosed is a copy of our letter to you dated March 16, 1959, concerning your interest in the subject lease. In this letter we describe our proposed 240 acre Tumout Gas Proration unit and our desire to obtain your cooperation and consent by executing the Ratification instrument attached.

To date a reply from you concerning the instrument for execution has not been received. Your questions concerning the statements in our letter are earnestly invited. If the instruments described in our letter of March 16, 1959, failed to reach you or have been mislaid, please advise.

The completion of this unit has been prolonged due to the number of parties involved who must be contacted. Your prompt consideration and execution of the Ratification instrument will be appreciated.

Please give us a reply at your earliest convenience.

Yours very truly,

R. T. Maxwell  
Division Landman

By: \_\_\_\_\_  
B. E. Hellman

BEH:ac

Enc.



June 10, 1959

41626 - James W. Cooper et ux Lease  
Lea County, New Mexico

REGISTERED - Return Receipt Requested

Eudana B. Newcomb  
2753 Northwest 17th Street  
Oklahoma City, Oklahoma

Dear Mrs. Newcomb:

Enclosed is a copy of our letter to you dated March 16, 1959, concerning your interest in the subject lease. In this letter we describe our proposed 240 acre Dumont Gas Proration unit and our desire to obtain your cooperation and consent by executing the Ratification instrument attached.

To date a reply from you concerning the instrument for execution has not been received. Your questions concerning the statements in our letter are earnestly invited. If the instruments described in our letter of March 16, 1959, failed to reach you or have been mislaid, please advise.

The completion of this unit has been prolonged due to the number of parties involved who must be contacted. Your prompt consideration and execution of the Ratification instrument will be appreciated.

Please give us a reply at your earliest convenience.

Yours very truly,

R. T. Maxwell  
Division Landman

By: \_\_\_\_\_  
B. E. Hellman

BEH:as

Enc.

June 10, 1959

41626 - James W. Cooper et ux Lease  
Lea County, New Mexico

REGISTERED - Return Receipt Requested

Walter L. Geckley  
2404 S. Radcliffe Place  
Bayshore Gardens  
Bradenton, Florida

Dear Mr. Geckley:

Enclosed is a copy of our letter to you dated March 16, 1959, concerning your interest in the subject lease. In this letter we describe our proposed 240 acre Eumont Gas Proration unit and our desire to obtain your cooperation and consent by executing the Ratification instrument attached.

To date a reply from you concerning the instrument for execution has not been received. Your questions concerning the statements in our letter are earnestly invited. If the instruments described in our letter of March 16, 1959, failed to reach you or have been mislaid, please advise.

The completion of this unit has been prolonged due to the number of parties involved who must be contacted. Your prompt consideration and execution of the Ratification instrument will be appreciated.

Please give us a reply at your earliest convenience.

Yours very truly,

R. T. Maxwell  
Division Landman

By: \_\_\_\_\_  
B. E. Hellman

BEH:as

Enc.

July 16, 1959

41626 - James W. Cooper et ux Lease  
Lea County, New Mexico

REGISTERED - Return Receipt Requested

Mr. Walter L. Gockley  
2404 So. Radcliffe Place  
Bayshore Gardens  
Bradenton, Florida

Dear Mr. Gockley:

By our letter dated March 16, 1959, we requested your approval and execution to an instrument ratifying our proposed agreement creating a 240 acre Eminent Gas Proration Unit affecting the subject lease. Our subsequent letters of April 15, 1959, and June 9, 1959, again requested your cooperation in forming this unit, however, no communication from you in this regard has been received.

We will appreciate your comments to our request and to the facts surrounding the creation of this unit which we believe to be of mutual benefit. If further advice from you is not received we will presume you have received our above communications with their enclosures, and desire not to execute the instrument or comment thereon, after which we will consider requesting the appropriate governmental agency to force pool your interest.

Yours very truly,

R. T. Maxwell  
Division Landman

By \_\_\_\_\_  
R. L. Westlake

R.L.W:as

DOMESTIC PRODUCING DEPARTMENT  
MIDLAND DIVISION



P. O. BOX 2100  
MIDLAND, TEXAS

July 16, 1959

L1626 - James W. Cooper et ux Lease  
Lea County, New Mexico

REGISTERED - Return Receipt requested

Mr. Hal M. Nicolai  
Box 4012  
Portland 8, Oregon

Dear Mr. Nicolai:

By our letter dated March 16, 1959, we requested your approval and execution to an instrument ratifying our proposed agreement creating a 240 acre Eumort Gas Proration Unit affecting the subject lease. Our subsequent letters of April 15, 1959, again requested your cooperation in forming this unit, however, no communication from you in this regard has been received.

We will appreciate your comments to our request and to the facts surrounding the creation of this unit which we believe to be of mutual benefit. If further advice from you is not received we will presume you have received our above communications with their enclosures, and desire not to execute the instrument or comment thereon, after which we will consider requesting the appropriate governmental agency to force pool your interest.

Yours very truly,

R. T. Maxwell  
Division Landman

By

R. L. Westlake  
R. L. Westlake

RLW:as



July 16, 1959

44626 - James W. Cooper et ux Lease  
Lea County, New Mexico

REGISTRAR - Return Receipt Requested

Mrs. Eudiana B. Newcomb  
2753 Northwest 17th St.  
Oklahoma City, Oklahoma

Dear Mrs. Newcomb:

By our letter dated March 11, 1959, we requested your approval and execution to an instrument ratifying our proposed agreement creating a 240 acre Eminent Gas Promotion Unit affecting the subject lease. Our subsequent letters of April 15, 1959, again requested your cooperation in forming this unit, however, no communication from you in this regard has been received.

We will appreciate your comments to our request and to the facts surrounding the creation of this unit which we believe to be of mutual benefit. If further advice from you is not received we will presume you have received our above communications with their enclosures, and desire not to execute the instrument or consent thereon, after which we will consider requesting the appropriate governmental agency to force pool your interest.

Yours very truly,

B. T. Maxwell  
Division Landman

By \_\_\_\_\_  
J. L. Westlake

44626