

Case 2009

September 1, 1960

Anderson-Prichard Oil Corporation  
Post Office Box 1869  
Midland, Texas

Gentlemen:

Gulf's O. I. Boyd Lease has been assigned a 160 acre non-standard gas proration unit in the Blinbry Gas Pool covering the E/2 SW/4, SW/4 SW/4 and SW/4 SE/4 Section 23, Township 22 South, Range 37 East, Lea County, New Mexico, with our Well No. 3 being the unit well. In order to accommodate the working interest owners in the NW/4 SW/4 of Section 23, Gulf agreed to bring this 40 acre tract into our unit, making a 200 acre unit, provided the New Mexico Oil Conservation Commission would approve this size unit.

This matter was set for hearing, and, as a result, the Commission issued Order No. R-1726, dated August 4, 1960, stipulating that a 200 acre unit was approved for only a two year period. This period was specified to allow time to make arrangements, if possible, to form two 160 acre standard units covering the S/2 of Section 23. In order to do this, it would be necessary for Gulf to put the 40 acres of our Boyd Lease, located in the SW/4 SE/4 of Section 23, into the 120 acre unit that you now have, using your Lee Well No. 1, located in Unit I of Section 23, as the unit well.

Will you please advise if your well can produce the allowable for this additional acreage, and, if so, would you be agreeable to such a unit. In the event such a unit is possible, we would appreciate being advised as to the proposed terms so that the economics can be evaluated. We would also appreciate being advised as to the productive capacity of the Lee Well No. 1.

Thank you for your consideration of this matter, and if additional information is needed, please advise.

Yours very truly,

ORIGINAL  
SIGNED BY  
W. A. SHELLSHEAR

W. A. Shellshear

JHH:hs

ILLEGIBLE

CASE NO. 2009 (Reopened)

EXHIBIT NO. /

August 8, 1962

# ANDERSON-PRICHARD OIL CORPORATION

5248



BOX 1889  
MIDLAND, TEXAS

September 12, 1960

GENERAL OFFICE  
LIBERTY BANK BLDG.  
OKLAHOMA CITY, OKLAHOMA

Re: APOC File M-6137-A  
E/2 SE/4 Sec. 23  
T-22-S, R-37-E  
Lea County, New Mexico

Mr. W. A. Shellshear  
Gulf Oil Corporation  
P. O. Drawer 669  
Roswell, New Mexico

Dear Mr. Shellshear:

Your letter concerning our Lee Well #1 located in the E/2 SE/4 Sec. 23, T-22-S, R-37-E, Lea County, New Mexico, has been referred to our Reservoir Department in Oklahoma City. I am sure you will hear from them in the very near future.

Sincerely yours,

  
WM. M. BRODRICK  
DISTRICT MANAGER

WMB: jh

ILLEGIBLE

CASE NO. 2009 (Reopened)

EXHIBIT NO. 2

August 8, 1962

December 30, 1960

Anderson-Prichard Oil Corporation  
Liberty Bank Building  
Oklahoma City, Oklahoma

Attention: Reservoir Department

Gentlemen:

Reference is made to our letter of September 1, 1960, to your Midland, Texas office concerning the possibility of including 40 acres of our O. I. Boyd lease located in the SW/4 SE/4 of Section 23, Township 22 South, Range 37 East, Lea County, New Mexico, in a standard Blinbry Gas Proration Unit covering the SE/4 of Section 23 using your Lee No. 1 as the unit well. We were advised September 12, 1960, that our above letter was referred to the Reservoir Department in Oklahoma City.

We appreciate your consideration in this matter and are inquiring to see if we can furnish additional information.

Yours very truly,

ORIGINAL  
SIGNED BY  
W. A. SHELLSHEAR

W. A. Shellshear

JHM:ea]

CASE NO. 2009 (Reopened)

EXHIBIT NO. 3

August 8, 1962

**ILLEGIBLE**



# ANDERSON-PRICHARD OIL CORPORATION

LIBERTY BANK BUILDING  
OKLAHOMA CITY 2, OKLAHOMA

January 23, 1961

DUNCAN V. PATTY  
Manager, Economics and  
Evaluation Department

JAMES S. HENRY  
Chief Reservoir Engineer



In re: Our File No. M-6137-A  
Allie M. Lee Lease  
E/2 SE 4 Section 23, T-22-S, R-37-E  
Lea County, New Mexico

Gulf Oil Corporation  
Post Office Drawer 669  
Roswell, New Mexico

Attention: Mr. W. A. Shellshear

Dear Sir:

Subject: Enlargement of Lee No. 1 Blinbry Gas Proration Unit

Your letters of September 1, 1960 and December 30, 1960 have been received in this office. APOC should be in a position to suggest some definite proposal regarding the inclusion of Gulf acreage in the Lee No. 1 Blinbry Gas Proration Unit in the very near future. Because of the recent purchase of APOC by Union Texas Natural Gas Corporation, it is likely that any enlargement of this gas proration unit would be made by Union Texas Natural subsequent to April 1, 1961.

The APOC-Lee No. 1 is easily capable of producing any increased allowable which would result should this Blinbry Gas Proration Unit be enlarged to include Gulf acreage in the SW SE of Section 23, T-22-S, R-37-E, Lea County, New Mexico.

In the past, APOC has been able to accommodate working interest owners who found themselves in Gulf's present position by taking an assignment of their working interest subject to (1) agreement on the part of APOC to include said acreage in the appropriate gas proration unit, and (2) reservation by the original working interest owner of a very substantial overriding royalty interest (generally in excess of 1/2 of 7/8).

By handling the matter in this manner, APOC's working interest ownership in the well in question and associated lease equipment is unchanged. Furthermore, no complicated operating agreements are necessary, no initial

CASE NO. 2009 (Reopened)

EXHIBIT NO. 4

ILLEGIBLE

AUGUST 8, 1962

Gulf Oil Corporation

Attn: Mr. W. A. Shellshear

-4-

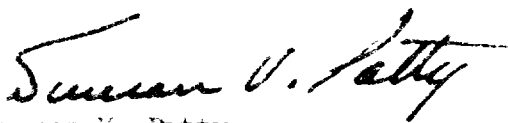
January 25, 1961

Investment is required of Gulf to pay into the existing well, and the mineral interest owners are fully protected. Gulf's overriding royalty interest would be designed so as to generate approximately the same net income as would otherwise be derived from a 1/4 working interest in the Lee No. 1 Blinbry Gas Production Unit.

As soon as possible, AIOC or Union Texas Natural Gas Corporation will furnish Gulf with a definite proposal. I believe that you will find it to be both fair and equitable.

Further correspondence regarding this matter should be addressed to Mr. C. Edmond Smith, Anderson-Prichard Oil Corporation, Liberty Bank Building, Oklahoma City 2, Oklahoma.

Yours very truly,

  
Duncan V. Patty

DVP:ncj

ILLEGIBLE

CASE NO. 2009 (Reopened)

EXHIBIT NO. 4

August 8, 1962

June 23, 1961

Anderson-Prichard Oil Corporation  
Liberty Bank Building  
Oklahoma City 2, Oklahoma

Attention: Mr. C. Edmond Smith

Re: Your File No. M-6137-A  
Allie M. Lee Lease, E/2  
SE/4 Section 23-22S-37E,  
Lea County, New Mexico

Gentlemen:

Reference is made to past correspondence concerning the possible enlargement of your Lee No. 1 Blinbry Gas Proration Unit to include a portion of our O. I. Boyd Lease. Your letter of January 23, 1961 advised that due to the recent purchase of Anderson-Prichard by Union Texas Natural Gas Corporation, it was likely that any enlargement of this proration unit would not be possible until after April 1, 1961.

This letter is to inquire if Anderson-Prichard is now in a position to consider the enlargement of the Lee Unit and, if so, what terms you would propose.

Yours very truly,

ORIGINAL  
SIGNED BY  
W. A. SHELLSHEAR

W. A. Shellshear

JHH:ers

CASE NO. 2009 (Reopened)

EXHIBIT NO. 5

August 8, 1962

*2009*  
*2009*  
*2009*

UNION TEXAS NATURAL GAS CORPORATION  
A-P DIVISION

LIBERTY BANK BUILDING - OKLAHOMA CITY 2, OKLAHOMA  
August 1, 1961



JAMES B. HENRY  
Manager  
Economics & Evaluation

In re: Our File No. M-6137-A

2516

Mr. W. A. Shellshear  
Gulf Oil Corporation  
Post Office Drawer 1938  
Roswell, New Mexico

Dear Mr. Shellshear:

Subject: Allie M. Lee Lease  
Section 23, T-22-S, R-37-E, Lea County, New Mexico

Reference is made to your letter of June 28, 1961, wherein you asked us to consider enlargement of the Lee Unit so as to include 40 acres of your O. I. Boyd Lease in the Hlinebry Gas Proration Unit. We have formulated a plan which has been approved by our management for including this acreage. However, we will first secure the approval of our working interest partners, Pan American Petroleum Corporation and Joseph E. Seagram and Sons, Inc., prior to submitting our proposal.

We are hopeful that you may receive our reply by September 1, 1961.

Yours very truly,

James B. Henry

JBH:br

cc: William M. Brodrick

Mr. Neal S. Whitmore  
Pan American Petroleum Corporation  
Post Office Box 268  
Lubbock, Texas

Frankfort Oil Company  
Post Office Box 747  
Dallas 21, Texas  
Attn: Mr. Thomas P. Brooks

ILLEGIBLE

CASE NO. 2009 (Reopened)

EXHIBIT NO. 6

AUGUST 8, 1962

*10/25/61 (HIT)*  
*[Signature]*

3198

UNION TEXAS NATURAL GAS CORPORATION  
A-P DIVISION

LIBERTY BANK BUILDING OKLAHOMA CITY 2, OKLAHOMA

September 25, 1961

JAMES B. HENRY  
Manager  
Economics & Evaluation

In re: Our File No. M-6137-A

Mr. W. A. Shellshear  
Gulf Oil Corporation  
Post Office Drawer 1938  
Roswell, New Mexico



Dear Mr. Shellshear:

Subject: Allie M. Lee Lease  
Section 23, T-22-S, R-37-E, Lea County, New Mexico

Reference is made to our letter of August 1, 1961, regarding the enlargement of our Allie M. Lee non-standard Blinebry Gas Proration Unit to include 40 acres of your O. I. Boyd Lease.

One of our working interest partners has raised a question concerning the future deliverability of the Blinebry zone in our well, and we are taking a four-point back pressure test to resolve this question. After a review of these data with our partners, we will advise you of our proposal.

Yours very truly,

James B. Henry

JBH:br

cc William M. Brodrick  
L. H. Foster  
Union Texas Natural Gas Corporation  
Box 196  
Midland, Texas

Mr. Neal S. Whitmore  
Pan American Petroleum Corporation  
Post Office Box 268  
Lubbock, Texas

Frankfort Oil Company  
Post Office Box 747  
Dallas 21, Texas  
Attn: Mr. Thomas P. Brooks

CASE NO. 2009 (Reopened)

EXHIBIT NO. 7

AUGUST 8, 1962



February 22, 1962

Union Texas Natural Gas Corporation  
Liberty Bank Building  
Oklahoma City 2, Oklahoma

Attention: Mr. James B. Henry

Re: Your File No. M-6137-A

Gentlemen:

Reference is made to past correspondence concerning the possible enlargement of your Allie M. Lee Non-Standard Blinebry Gas Proration Unit to include 40 acres of Gulf's O. I. Boyd Lease in Section 23, Township 22 South, Range 37 East, Lea County, New Mexico. Your letter of September 25, 1961 advised that one of the working interest partners in your lease had questioned the enlargement of the Lee Unit.

As you know, we originally advised that the Oil Conservation Commission approved our existing 200-acre Non-Standard Unit for only a two-year period to allow time to determine if two standard units could be formed covering the S/2 of Section 23. This two-year period expires in August, 1962; therefore, we are anxious to resolve this matter prior to that time.

We would appreciate being advised of your final decision in this matter. If you will be unable to submit a proposal, we plan to again approach the Commission, and inform them of our attempt to comply with their directive.

Yours very truly,

ORIGINAL  
SIGNED BY  
W. A. SHELLSHEAR

W. A. Shellshear

JHH:dd

CASE NO. 2009 (Reopened)

EXHIBIT NO. 2

August 8, 1962

**UNION TEXAS PETROLEUM**

A DIVISION OF ALLIED CHEMICAL CORPORATION

LIBERTY BANK BUILDING

OKLAHOMA CITY 2 OKLAHOMA

CENTRAL 6-5641

March 27, 1962

1121

In re: Our File No. M-6137-A

Gulf Oil Corporation  
Post Office Drawer 1938  
Roswell, New Mexico

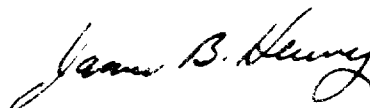
Attention: Mr. W. A. Shellshear

Gentlemen:

Reference is made to your letter of February 22, 1962, relative to our Allie M. Lee Blinebry Gas Unit and your O. I. Boyd Lease in Section 23, T-22-S, R-37-E, Lea County, New Mexico.

We have proposed a plan to our working interest partners for including your acreage. One operator has not approved the plan as yet. As soon as they have reached a decision, we will submit the proposal for Gulf's consideration.

Yours very truly,



James B. Henry  
Manager  
Economics & Evaluation Department

JBH:br

CASE NO. 2009 (Reopened)

EXHIBIT NO. 9

AUGUST 8, 1962

UNION TELEGRAPH PERMITS

ILLEGIBLE

CASE NO. 2009 (Reopened)  
EXHIBIT NO. 10  
AUGUST 8, 1962

# Gulf Oil Corporation

ROSWELL PRODUCTION DISTRICT

W. A. Shellishear  
DISTRICT MANAGER  
P. O. Montlock  
DISTRICT EXPLORATION  
MANAGER  
M. I. Taylor  
DISTRICT PRODUCTION  
MANAGER  
H. C. Vivian  
DISTRICT SERVICES MANAGER

August 1, 1962

P. O. Drawer 1938  
Roswell, New Mexico

Union Texas Petroleum  
Liberty Bank Building  
Oklahoma City 2, Oklahoma

Attention: Mr. James B. Henry

Re: Your File No. M-6137-A  
Expansion Allie M. Lee  
Gas Unit, Blinbry Gas  
Pool, Lea County, New  
Mexico

Gentlemen:

Thank you for your letter of July 31, 1962, advising of your proposal to include the SW/4 SE/4 of Section 23, Township 22 South, Range 37 East, being a portion of Gulf's O. I. Boyd Lease, into your Allie M. Lee Gas Unit.

Please be advised that Gulf is agreeable to your proposal to include this acreage on a farmout basis with Gulf retaining 3/4ths of 7/8ths overriding royalty on our proportionate share of the acreage. Will you please submit for our review and execution the necessary legal instruments to effect communitization of this 160-acre Unit.

Yours very truly,

W. A. Shellishear

JHE:sz

CASE NO. 2009 (Reopened)  
EXHIBIT NO. 11  
August 8, 1962



John J. Redfern, Jr.

J. H. Herd

Oil Properties

OFFICE CDD  
JUN 30 AM 6:19

P. O. Box 1747

Phone MUtual 4-5591

Midland, Texas

IN REPLY REFER TO

FILE: Case 2009

Application for Gulf Oil Corp.  
200 acre Non-Standard Gas  
Proration Unit in Section 23,  
22S-37E, Lea County, N. M.

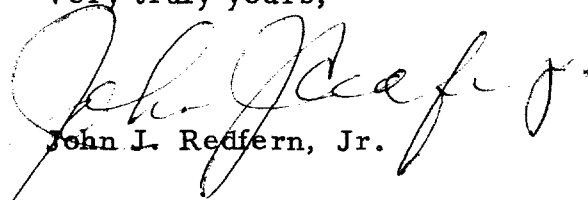
Oil Conservation Commission  
Box 871  
Santa Fe, New Mexico

Gentlemen:

As one of the mineral owners under the NW/4 of the SW/4 of  
Section 23, I would like to urge approval of Application of  
Gulf Oil Corporation in this case.

The forty acres under which my interest lies is not a part of  
any unit at the present time and it is uneconomic to drill a  
well to the Blinebry zone on a tract of this size.

Very truly yours,



John J. Redfern, Jr.

JJR:AHT

*Case 2009*

# GULF OIL CORPORATION

MAIN OFFICE 000 LAW DEPARTMENT

DAVID T. SEARLS  
GENERAL COUNSEL  
PITTSBURGH, PA.  
DAVID W. STEPHENS  
DIVISIONAL ATTORNEY  
FORT WORTH, TEXAS  
WILLIAM V. KASTLER

ROSWELL, NEW MEXICO

1960 JUN 13 AM 9 27

June 9, 1960

ADDRESS ALL CORRESPONDENCE IN CARE OF  
P. O. BOX 669, LAW DEPARTMENT

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

Attention: Mr. Oliver Payne, Attorney

Re: Gulf Oil Corporation's Application for  
Approval of a Non-Standard 200-acre Gas  
Proration Unit covering the SW/4 and the  
SW/4 SE/4 of Section 23, Township 22  
South, Range 37 East, N.M.P.M., Lea  
County, New Mexico, Blinebry Gas Pool,  
requiring forced pooling.

Dear Mr. Payne:

I am enclosing a formal Application for a 200-acre non-standard Blinebry Gas Unit with the request for a special type of publication in order to specifically name each party against whom forced pooling is sought. In view of the fact that the proposed publication attached is somewhat more lengthy than the usual style of publication, I request that you have the publisher bill Gulf separately for this publication. Ask both publishers to render this statement to Gulf Oil Corporation, Attention: W. V. Kastler, P. O. Box 669, Roswell, New Mexico.

Mr. John Hoover advises me that we have had 99.32% of all royalty owners sign Consents and Ratifications to our Gas Pooling Unit and Operating Agreement. The parties listed in the Application are the .78% who have not yet consented to or ratified the agreement.

With best personal regards, I am.

Sincerely yours,

*William V. Kastler*  
William V. Kastler

WVK:ej1

Enclosures

*Kastler*  
*Michael*  
*6-22-60*  
*JP*

NOTICE OF PUBLICATION  
STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

*Case 2609*

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 \_\_\_\_\_ o'clock a.m. on \_\_\_\_\_, 1960, at Mabry Hall, State Capitol, Santa Fe, New Mexico, before \_\_\_\_\_, 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 \_\_\_\_\_

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 200-acre non-standard gas proration unit in the Blinebry Gas Pool consisting of the SW/4 and SW/4 SE/4 of Section 23, Township 22 South, Range 37 East, Lea County, New Mexico, to be dedicated to applicant's O. I. Boyd Well No. 3 located 1980 feet from the South and West lines of said Section 23. 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 Blinebry Gas Pool, including the following-named persons or parties who have not consented to the pooling agreement:

W. B. Trammel; Mrs. Carrie Gidwitz; Harry L. Jones and Isabel Jones; Heirs, Devisees and Personal Representatives of William T. Pitt, Deceased; Peter M. Smith; Adam F. Arnold; Cranfill Fowler; George W. Clark; Charles W. Hastings; John E. McConnell, Jr.; Lionel L. Shatford; Ernest O. Knapp, J. Paul Knapp, Gertrude K. Schrecengost, Mildred K. Stoneburner, Evelyn Neel, and Maude S. Knapp, Jointly; Robert R. McKee; and all other persons or parties whatsoever owning oil and gas interests in the SW/4 and SW/4 SE/4 of Section 23, Township 22 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 \_\_\_\_\_ day of \_\_\_\_\_, 1960.

(SEAL)

State of New Mexico  
Oil Conservation Commission  
A. L. Porter, Jr., Secretary

(Pub.: \_\_\_\_\_ )







