FOR SEP II AM 8:35
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 REGULATIONS FOR THE TUBB GAS POOL AS SET FORTH IN ORDER NO. R-1670 FOR THE ESTABLISHMENT OF A NON-STANDARD 160 ACRE GAS PRORATION UNIT CONSISTING OF THE W/2 E/2 OF SECTION 14, TOWNSHIP 21 SOUTH, RANGE 37 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO, AND THE POOLING OF THE INTERESTS THEREIN OF THE GAS RIGHTS WITHIN THE VERTICAL LIMITS OF THE TUBB GAS POOL.

No. 2083

Gulf Oil Corporation for its application states as follows:

- (1) On December 22, 1959, Gulf Oil Corporation, as Operator, entered into a certain Gas Pooling Agreement with Shell Oil Company. Said Pooling Agreement designated Naomi Keenum Gas Unit, covers 160 acres consisting of the W/2 E/2 of Section 14, Township 21 South, Range 37 East, N.M.P.M., Lea County, New Mexico. Said Pooling Agreement is effective as to gas and associated liquid hydrocarbons produced within the vertical limits of the Tubb Gas Pool through Gulf's Naomi Keenum No. 2, located 660 feet from the South line and 1980 feet from the East line of said Section 14.
- (2) Gulf Oil Corporation is the owner and holder of an oil and gas lease dated October 11, 1944, from Naomi Keenum and W. T. Keenum, her husband, as lessor, and Everett M. Byers, as lessee, covering the W/2 SE/4 of said Section 14. Under NSP-408 dated January 12, 1958, of the Oil Conservation Commission of New Mexico, the above described 80 acres consisting of the W/2 SE/4 of Section 14, Township 21 South, Range 37 East, has been approved as a non-standard gas proration unit ascribed to the Naomi Keenum No. 2 Well.
- (3) Shell Oil Company is the owner and holder of various oil and gas leases, hereinafter described, all of which cover the W/2 NE/4 of Section 14, Township 21 South, Range 37 East, N.M.P.M., Lea County, New Mexico:

J. R. Smith, a single man, as lessor, to Shell Oil Company, as lessee.

- (b) Oil and Gas Lease dated March 19, 1947 from Allie M. Lee, a widow, as lessor, to John J. Redfern, Jr., as lessee.
- (c) Oil and Gas Lease dated March 21, 1947 from the Leonard Oil Company, as lessor, to John J. Redfern, Jr., as lessee.
- (d) Oil and Gas Lease dated March 17, 1947 from M. H. McGrail, a bachelor, as lessor, to John J. Redfern, Jr., as lessee.
- (4) That although all owners of interests in and under the W/2 NE/4 of said Section 14 have ratified and confirmed the said Naomi Keenum Gas Unit, the following named parties are owners of interest in and under the W/2 SE/4 of said Section 14 who have not executed Consents and Ratifications sent to them by Gulf Oil Corporation covering the pooling of interests under the said Naomi Keenum Gas Unit:
  - (a) J. M. Newton 1653 Sixteenth Street Corpus Christi, Texas
  - (b) Ronald J. Byers
    P. O. Box 4554
    Austin 51, Texas
  - (c) Robert E. Byers
    P. O. Box 4554
    Austin 51, Texas
  - (d) Constance E. Byers, a widow P. O. Box 4554
    Austin 51, Texas

and that the aggregate interests of the above named parties in and under the W/2 SE/4 of said Section 14 do not exceed 23% of all royalty and overriding royalty interest in said W/2 SE/4.

Copies of this application have this day been mailed to the above named parties at the addresses shown and also to all operators owning interests offsetting the proposed Naomi Keenum Gas Unit.

WHEREFORE, Applicant requests a hearing before an examiner in order that the Commission may upon proper findings of fact and conclusions of law enter its order granting an exception to Rule 5 (a) of the Special Rules and Regulations of the Tubb Gas Pool as set forth in Order No. R-1670 for the establishment of a 160 acre non-standard gas proration unit consisting of the W/2 E/2 of Section 14, Township 21 South, Range 37 East, N.M.P.M., Lea County, New Mexico, and approving the Naomi Keenum Gas Unit.

Applicant further requests that the Commission upon proper findings

of fact and conclusions of law enter its order requiring forced pooling of all royalty and overriding royalty interests whose owners have not heretofore ratified or consented to the Naomi Keenum Gas Unit.

Respectfully submitted this \_\_\_\_\_ day of September, 1960.

GULF OIL CORPORATION

William V. Kackler

William V. Kastler, Attorney