

Case 8397

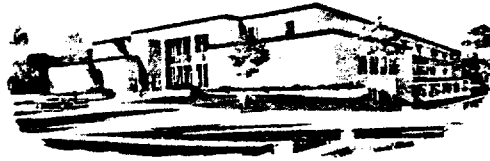
1985

Correspondance

State of New Mexico



JIM BACA
COMMISSIONER



Commissioner of Public Lands

July 22, 1985

#8397

Gulf Oil Exploration and Production Co.
P. O. Box 1150
Midland, Texas 79702

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148
Express Mail Delivery Use:
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501

Re: Eunice Monument South Unit
Lea County, New Mexico
Revised Exhibits Reflecting
Interest and Ownership Changes

ATTENTION: Mr. Ray M. Vaden

Gentlemen:

This office is in receipt of your letter of July 12, 1985, together with revised Exhibits "B" and "C" reflecting the current Unit working interest ownership.

These documents have this date been accepted and filed in our unit files.

Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

BY: *Ray D. Graham*
RAY D. GRAHAM, Director
Oil and Gas Division
AC 505/827-5744

JB/RDG/pm
encls.

cc: OCD-Santa Fe, New Mexico
BLM-Albuquerque, New Mexico Attn: Fluids Branch
BLM-Roswell, New Mexico Attn: Mr. Armando Lopez

Gulf Oil Exploration and Production Company

D. H. Messer
MANAGER LAND, WESTERN DIVISION

February 20, 1985

P. O. Box 1150
Midland, TX 79702

8397

TO ALL WORKING INTEREST OWNERS
EUNICE MONUMENT SOUTH UNIT
LEA COUNTY, NEW MEXICO
(Address List Attached)

Re: Unit Approvals and Agreements

Gentlemen:

The enclosed printed instruments include revised Exhibits "A", "B" and "C" to reflect the interest of the Working Interest Owners as of February 1, 1985, the effective date of the Eunice Monument South Unit. These revised exhibits also reflect the results of the ballot to share acquired Unit interest, as well as the desire of the Catron Working Interest Group to be shown as individual Working Interest Owners.

I have also included one copy of the computer generated ballot tabulations listing Working Interest Owners' interests in the acquired tracts, as well as their overall Unit participation. The computer data sheet attached to the ballot analysis does not show the overriding royalties listed in Exhibit "B" of the Unit Agreement, but should be helpful to your division order staff in determining net tract participation and burdens.

The Unit's Certificate of Effectiveness was filed in Book 442 on Page 346 of the Miscellaneous Records of Lea County, New Mexico. The Unit Agreement was filed in Book 440, beginning on Page 607, while the Ratification and Joinders begin on Page 720 in Book 440 and carry forward to Page 338 of Book 441 of the Miscellaneous Records.

Thank you for your cooperation in this unitization project.

Yours very truly,



Ray M. Vaden
Senior Land Agent

RMV:sz
Enclosures

cc: Bureau of Land Management
P. O. Box 1397
Roswell, NM 88201

Commissioner of Public Lands
P. O. Box 1148
Santa Fe, NM 87504

New Mexico Oil Conservation Division
P. O. Box 2086
Santa Fe, NM 87501



EMSU - WORKING INTEREST OWNERS
As of 02/01/85

Ann D. Allison*
P. O. Box 2781
Roswell, New Mexico 88201

Amerada Hess
P. O. Box 2040
Tulsa, Oklahoma 74102
Attn: Mr. R. W. Mullens, Mgr.
Joint Venture-U.S., Onshore

Amoco Production Company (USA)
P. O. Box 3092
Houston, Texas 77253
Attn: Mr. D. L. Hood

Apollo Oil Company
P. O. Box 1737
Hobbs, New Mexico 88240
Attn: Mr. Alan Ralston

ARCO Oil and Gas Company
P. O. Box 1610
Midland, Texas 79702
Attn: Mr. C. R. Leggott

Mr. Kenneth R. Boss
East Star Route
Box 9-B
Lovington, New Mexico 88260

Mr. John S. Catron*
Catron, Catron and Sawtell
P. O. Box 788
Santa Fe, New Mexico 87501

Thomas B. Catron III*
Trustee U/A Thomas B. Catron IV
P. O. Box 788
Santa Fe, New Mexico 87504

Thomas B. Catron III*
Trustee U/W J. B. Catron
P. O. Box 788
Santa Fe, New Mexico 87504

Thomas B. Catron III*
Trustee U/W Sue C. Bergere Trust
P. O. Box 788
Santa Fe, New Mexico 87504

Thomas B. Catron III*
P. O. Box 788
Santa Fe, New Mexico 87504

Chevron U.S.A., Inc.
P. O. Box 1660
Midland, Texas 79702
Attn: Mr. W. A. Goudeau

Cities Service Company
P. O. Box 1919
Midland, Texas 79702
Attn: Mr. K. D. Van Horn

Conoco, Inc.
P. O. Box 460
Hobbs, New Mexico 88240
Attn: Mr. Mark K. Mosely

Davis A. Coppedge*
466 Goodwin Drive
Richardson, Texas 75081

James T. Coppedge*
79 West Morgan
Spencer, Indiana 47460

Estate of Herman R. Crile, Sr.
c/o Mr. Bernard Johnston
P. O. Box 880
Roswell, New Mexico 88201

John N. Eddy*
P. O. Box 2104
Santa Fe, New Mexico 87504

Exxon Company, U.S.A.
P. O. Box 1700
Midland, Texas 79702
Attn: Mr. R. R. Hickman

Bert Fields, Jr.
11835 Preston Road
Dallas, Texas 75230
Attn: Mr. Jerry H. Doughman

First National Bank
105 North Main
Wichita, Kansas 67202
Attn: Mr. Steven Woods, Trust Dept.
U/W of Wm. E. Perdeu

Jane Neville Frey*
3245 Koenig Avenue
Cincinnati, Ohio 45211

Getty Oil Company
P. O. Box 1231
Midland, Texas 79702
Attn: Mr. W. A. Frnka

Geraldine Wallace Gould*
1270 Sierra Madre Boulevard
San Marino, California 91108

Marjorie E. Hobbis*
P. O. Box 536
Rancho Santa Fe, California 92067

Koch Exploration Company
P. O. Box 2256
Wichita, Kansas 67201
Attn: Mr. Jim Whisnand

Diane M. Landen*
P. O. Box 155
Allen, Texas 75002

Brent W. McWhorter*
6117 West Tierra Buena
Glendale, Arizona 85306

Mary J. McWhorter*
2033 East 2nd Street
Tucson, Arizona 85715

ME-TEX Supply Company
P. O. Box 2070
Hobbs, New Mexico 88240
Attn: Mr. Burton Veteto

Jane Ellen Moore*
P. O. Box 356
Sherman, Texas 75090

Michael H. Moore*
11620 Audelia, Apt. 315
Dallas, Texas 75243

Carl R. Pfluger
Box S
Eden, Texas 76837

RepublicBank Dallas
Oil & Gas Trust Dept.
Jeanne Fields Shelby, et al, Agency
No. 9591-00
P. O. Box 241
Dallas, Texas 75221
Attn: Mr. Jim B. Brown
Vice President

S & S Engineering
P. O. Box 8923
Midland, Texas 79708

Shell Oil Company
P. O. Box 991
Houston, Texas 77001
Attn: Mr. B. G. Ratterree

Sun Exploration and Production Co.
Campbell Center II
P. O. Box 2880
Dallas, Texas 75221
Attn: Mr. J. W. Thornton

Mr. Fred Turner, Jr., Trust
P. O. Box 910
Midland, Texas 79702
Attn: Mr. Ray Floyd

Two States Oil Company
Thanksgiving Tower
Suite 960, Lockbox 50
1601 Elm Street
Dallas, Texas 75201
Attn: Mr. Walter Crane

Maxine H. Wallace*
410 South Meredith Avenue
Pasadena, California 91106

Edith C. Wheeler*
P. O. Box 2781
Roswell, New Mexico 88201

The Wiser Oil Company
905 Oil & Gas Bldg.
Wichita Falls, Texas 76301

* Formerly Catron W.I. Account



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

TONEY ANAYA
GOVERNOR

January 21, 1985

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

W. Thomas Kellahin
Kellahin & Kellahin
Attorneys at Law
Post Office Box 2265
Santa Fe, New Mexico 87504-2265

Re: Eunice Monument South
Unit, Case No. 8397,
Order No. R-7765

Dear Tom:

Ordering paragraph 10 of Commission Order No. R-7765 requires either a demonstration of the properness of the existing unit allocation formula or approval of a new formula following production of 64.2 million barrels of secondary and tertiary production.

A mechanism needs to be established for accounting for the date the volume equivalent to remaining primary is produced from the unit and when the date of recovery of 64.2 million barrels of secondary and tertiary oil is approaching. If your client has any suggestions along this line I would be glad to consider them.

It occurs to me that such information could be included in any annual report of unit operations filed. Assuming that the unit were to become effective for operational purposes on February 1, 1985, a report could be filed showing remaining primary on that date. Thereafter an annual report could be filed detailing:

1. annual unit production;
2. remaining primary production, if any;
3. secondary and/or tertiary production;

Page 2

Letter to W. Thomas Kellahin
January 21, 1985

4. the volume of secondary or tertiary oil to be produced before the 64.2 million barrels is reached; and,
5. later in the life of the project, a date by which it is expected that the 64.2 million barrels of oil will have been expected to be produced.

Such a report would be filed with the Division.

There may be other satisfactory methods of keeping track of the production in question and we would be happy to consider any proposals on this matter.

Sincerely,

R. L. STAMETS
Director

RLS/fd

cc: James E. Sperling

JAMES E. SPERLING
JOSEPH E. ROEHL
DANIEL A. SIS
LELAND S. SEDBERRY, JR.
ALLEN C. DEWEY, JR.
JAMES A. PARKER
JOHN R. COONEY
KENNETH L. HARRIGAN
PETER J. ADANG
DALE W. EK
JAMES M. PARKER
CHARLES I. WELLBORN
DENNIS J. FALK
JOE R. G. FULCHER
ARTHUR D. MELENDRES
JAMES R. HOUGHTON
JUDY A. FRY
PAUL M. FISH
MARK B. THOMPSON III
GEORGE J. HOPKINS
JEFFREY W. LOUBET
R. E. THOMPSON
RUTH M. SCHIFANI
THOMAS L. JOHNSON
LYNN H. SLADE
ZACHARY L. MCCORMICK

LAW OFFICES
MODRALL, SPERLING, ROEHL, HARRIS & SISK
A PROFESSIONAL ASSOCIATION
1000 SUNWEST BUILDING
POST OFFICE BOX 2168
ALBUQUERQUE, NEW MEXICO 87103-2168

TELEPHONE (505) 848-1800
TELECOPIER (505) 247-2299

JOHN F. SIMMS
(1985-1954)
J. R. MODRALL
(1902-1977)
AUGUSTUS T. SEYMOUR
(1907-1965)

January 16, 1985

CLIFFORD K. ATKINSON
DOUGLAS A. BAKER
SUSAN B. STOCKSTILL
LARRY P. AUSHERMAN
CHARLES E. STUCKEY
DOUGLAS R. VADNAIS
STEPHEN T. AUBURN
GEORGE D. RIEDER
JOHN S. THAL
BENJAMIN SILVA, JR.
WALTER E. STERN III
PATRICK J. ROGERS
JOHN E. HEER III
CAMERON PETERS
ANTOINETTE S. LOPEZ
DUANE E. BROWN
BRUCE E. CASTLE
MARTHA L. GLAMAN
PAUL MAESTAS
JEFFREY TWERSKY
J. DOUGLAS FOSTER
NEAL E. BINCZEWSKI
TODD R. BRAGGINS
SUSAN M. HADLOCK
KEVIN T. RIEDEL

GEORGE T. HARRIS, JR.
OF COUNSEL

Mr. Richard L. Stamets
Director
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501-2088

Re: Application of Gulf Oil Corporation
for Statutory Unitization, Eunice
Monument South Unit, Lea County,
New Mexico
Case No. 8397
Order No. R-7765

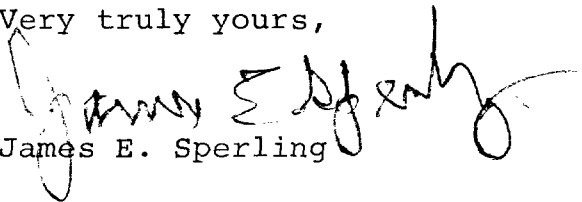
Dear Dick:

My client, Exxon Company, U.S.A. has confirmed to me that it does not expect to file an application for rehearing in this matter. It would, however, be appreciated if, as a matter of clarification, you would advise me as to the manner by which it will be determined when a total of 64.2 million barrels of secondary or tertiary oil production has occurred. The order requires the operator to appear and demonstrate that the tract participation formula is appropriate in the light of additionally developed reservoir data. Will the production of that volume of secondary oil be the result of attaining the combined secondary oil and the remaining primary based upon the technical report estimates? As you are aware, Exxon is of the opinion that it will be a very extended period of time before remaining primary is produced and that it is conceivable that the 64.2 million barrels of secondary oil referred to in the order may be produced before the remaining primary is produced.

Mr. Richard L. Stamets
January 16, 1985
Page 2.

We will very much appreciate your advising as to the method which you envision as appropriate for measuring the 64.2 million barrels.

Very truly yours,

A handwritten signature in dark ink, appearing to read "James E. Sperling", written over the typed name.

James E. Sperling

JES/jev

cc: Mr. W. T. Duncan
Exxon Company, U.S.A.
P. O. Box 1600
Midland, Texas 79702-1600

Gulf Oil Exploration and Production Company

D. H. Messer
MANAGER LAND, WESTERN DIVISION

P. O. Box 1150
Midland, TX 79702

January 11, 1985

Re: Additional Joinders and Notice
of Commencement of Unit
Operations Effective February
1, 1984 for the Eunice
Monument South Unit,
LEA COUNTY, New Mexico



State of New Mexico
Energy and Minerals Department
Oil Conservation Division
Post Office Box 2088
State Land Office Building
Santa Fe, New Mexico 87501

Case 8397

Attention: Mr. R. L. Staments, Director

Gentlemen:

Please find the enclosed ratification and joinders which were received subsequent to our November 7, 1984, OCC Hearing for the statutory unitization of the captioned unit.

Gulf plans to file the Unit Agreement in the records of Lea County, New Mexico, as required by Section 39 of the Unit Agreement, during the last week of January. We plan to commence Unit Operations at 7:00 AM on February 1, 1985.

Some of the working interest owners have chosen to sell or exchange their unit working interest. We will have all assignments of these interests completed before February 1, 1985. When the assignments are complete, I will send an updated copy of Exhibit "B" listing the working interest owners as of the date of commencement of unit operations.

Thank you for your assistance in this large and complex unitization effort. If you require additional information or have any questions, please contact me at (915) 687-7202.

Yours very truly,

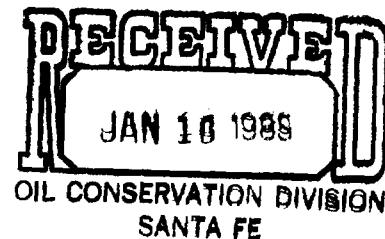


RAY M. VADEN
Senior Land Agent



RMV:nkl

A DIVISION OF GULF OIL CORPORATION





STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

TONEY ANAYA
GOVERNOR

January 9, 1985

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

Gulf Oil Corporation
ClayDeata Center
15 Smith Road
Midland, Texas 79705

Attention: Mr. Dave Berlin

Re: Eunice Monument South Unit
Statutory Unitization Case
NMOCC Case No. 48397
Order No. R-7765

Dear Mr. Berlin:

This letter will confirm that Gulf Oil Corporation as Unit Operator for the Eunice Monument South Unit has submitted to the Commission written ratifications of the working interest owners and the royalty owners in accordance with Section 70-7-8 NMSA-1978 and that Gulf Oil Corporation has complied with the terms and conditions of Order Paragraphs (7), (8), and (9) of Order No. R-7765.

Sincerely,

R. L. STAMETS
Director

RLS/fd

cc: W. T. Kellahin