



PETROLEUM AND ITS PRODUCTS

GULF OIL CORPORATION

P. O. DRAWER 669 • ROSWELL, NEW MEXICO

September 22, 1955

NSP-157
9/1/55
FORT WORTH
PRODUCTION DIVISION

E. S. GREAR
ZONE EXPLORATION MANAGER
R. L. BOSS
ASST. ZONE EXPLORATION MANAGER

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

Dear Sir:

Gulf Oil Corporation is the Operator of a 310-acre non-standard gas proration unit consisting of the S/2 of Section 7, Township 21 South, Range 36 East, Lea County, New Mexico, in the Eumont Gas Pool. The unit well is Gulf Oil Corporation's Mollie Campbell Well No. 2, located in the NE/4 SW/4 of said Section 7. An application for the approval of this non-standard gas proration unit was filed and by your Administrative Order NSP-157, you approved the formation of the unit and provided for an allowable to be assigned thereto in accordance with pool rules, based upon the unit size of 310 acres.

Gulf Oil Corporation is the owner of the leasehold interest covering all of the S/2 of Section 7 by virtue of owning two fee leases which cover all of the working interest in said S/2 of Section 7. Gulf has pooled all of its interests in the two leases for the production of gas from the Eumont Gas Pool and is in the process of securing the communitization of all of the royalty interests under the two leases, most of whom have joined in the pooling.

Pursuant to the practice heretofore followed by the Commission, you are requested to place the unit well upon the gas proration schedule, allocating to it an allowable based upon the 310-acre unit in the Eumont Gas Pool to be effective July 1, 1955, as approved.

Yours very truly,

E. S. Grear
E. S. Grear

TEA:js
cc: Proration Manager
New Mexico Oil Conservation Commission
P. O. Box 2045
Hobbs, New Mexico
M. I. Taylor - Roswell, New Mexico
C. F. Taylor - Hobbs, New Mexico



PETROLEUM AND ITS PRODUCTS

GULF OIL CORPORATION

B. E. THOMPSON
DIVISION PRODUCTION MANAGER

P.O. DRAWER 1290 · FORT WORTH 1, TEXAS

FORT WORTH
PRODUCTION DIVISION

August 16, 1955

Re: Application for 320-Acre
Non-Standard Gas Proration Unit,
Eumont Gas Pool, Comprising
S/2 Section 7, T-21-S, R-36-E,
Lea County, New Mexico

Oil Conservation Commission
State of New Mexico
Santa Fe, New Mexico

Gentlemen:

Reference is made to the subject application which is dated May 19, 1955.

Our Mollie Campbell Lease located in the SW/4 of Section 7 T-21-S, R-36-E, actually comprises only 150 acres; therefore, the unit, if approved, will comprise 310 acres rather than 320 acres. We are merely calling this detail to your attention so that the proper acreage assignment can be made in the event our application is approved.

The primary purpose of this letter is to clarify our position with regard to the assignment of acreage to the proposed unit on which there are oil wells which were formerly in the Eunice Pool and which have recently been reclassified and designated as producing from the Eumont Pool. We refer specifically to the Campbell Wells Nos. 1-N and 4-L. Your orders dated July 7, 1954, advised that these two wells would be placed in the Eumont Pool effective September 1, 1955.

At one of the public hearings in Santa Fe, we stated that as a matter of general policy we did not advocate the assignment of the same acreage to gas wells and oil wells when such wells were producing from a "common source of supply". We contemplated that the Commission would revise or amend existing rules and regulations applicable to the prorated gas pools in Lea County to either prohibit the so-called double assignment of acreage or provide a procedure or rule under which gas produced from oil wells, within the vertical limits of the gas pools, would be taken into consideration in setting the allowables on gas wells that are assigned the acreage which is also assigned to the oil wells.

*WBM led WWM
on 9/6/55
b. exp ahead
& issue - WWM 9/6/55*

8/16/55

After our application on the subject unit was received and reviewed by your staff, Mr. Randle Montgomery was kind enough to advise that the two above mentioned oil wells on our Mollie Campbell Lease would probably be reclassified and placed in the Eumont Gas Pool. In view of the above mentioned statement of policy by Gulf, Mr. Montgomery orally advised our representative that the application on the subject unit would be held in abeyance and no action would be taken by the Commission until we advised as to our position on the matter and our desires with regard to the disposition of our application.

There has been no change in policy as far as we are concerned; however, in the absence of an order by the Commission to clarify or remedy the situation, we are now requesting that the Commission proceed with the approval of our application and the issuance of an order which will permit the assignment of 310 acres to our Mollie Campbell #2. Should the Commission at some future date revise the rules applicable to the Eumont gas pool to prohibit the assignment of the same acreage to both oil wells and gas wells in the same pool, we will, of course, expect to take a reduction in the assignment of acreage. As long as the existing rules permit the double assignment of acreage and other operators are applying for and receiving such acreage assignments, we feel that we must do the same thing in order to prevent drainage from our leases and to protect correlative rights.

Yours very truly,



B. E. THOMPSON

cc: Oil Conservation Commission
P. O. Box 427
Hobbs, New Mexico

REFERENCE NSP 157 AND YOUR SLIP OF 6-8-55 WE ARE STILL HOLDING
NSP. HAS GULF INDICATED A CHANGE IN UNIT REQUESTED

END OR GA

MIN PLS
UNABLE TO IDENTIFY WELL PLS GIVE NAE
MINS PLS
REGARD NSP LTU XXXX 157 GULF IS HOLDING OFF BECAUSE OF TH REASON STAE
ED ON THE RECOMMENDATIONS THEY HAE NOT INDICATED ANY OTHER ACTION
TO ME

cc: OGC - 100-10000

5/15/55



PETROLEUM AND ITS PRODUCTS

GULF OIL CORPORATION

B. E. THOMPSON
DIVISION PRODUCTION MANAGER

P. O. DRAWER 1290 FORT WORTH 1, TEXAS

FORT WORTH
PRODUCTION DIVISION

May 19, 1955

Re: Application for 320-acre Non-
Standard Gas Proration Unit,
Eumont Gas Pool, comprising
S/2 Section 7, T-21-S, R-36-E,
Lea County, New Mexico

Oil Conservation Commission
State of New Mexico
Santa Fe, New Mexico

Gentlemen:

Gulf Oil Corporation hereby makes application for approval of a non-standard gas proration unit comprising the S/2 of Section 7, T-21-S, R-36-E, Lea County, New Mexico, and in support thereof states the following facts:

- (1) Gulf Oil Corporation is owner and operator of oil and gas leases known as the Mollie Campbell Lease located in the SW/4 of Section 7 and the Aubrey F. Houston Lease located in the SE/4 of Section 7, T-21-S, R-36-E, Lea County, New Mexico, comprising the ³¹⁰320 acres above described.
- (2) The Mollie Campbell #2 is located 1980 feet from the west line and 1980 feet from the south line, Section 7, T-21-S, R-37-E, Lea County, New Mexico, was completed February 8, 1937, in the Eunice Monument Pool and recompleted on June 18, 1951, in the present Eumont Gas Pool. The applicant proposes to use this well as the unit well.
- (3) The proposed non-standard gas proration unit will meet the requirements of Rule 5(b) of the Oil Conservation Commission's Order No. R-520 as follows:
 - (a) Contiguous quarter-quarter sections will comprise the unit.
 - (b) The proposed unit lies wholly within a single governmental section.
 - (c) All acreage within the proposed unit may reasonably be presumed productive of gas.

5/19/55

- (d) The length or width of the proposed unit does not exceed 5280 feet.
- (e) By copy of this letter of application all operators owning interests in the section in which the proposed unit is located and all operators within 1500 feet of the proposed unit well are notified by registered mail of the intent of Gulf Oil Corporation to form the proposed non-standard gas proration unit. (See attached affidavit.)

In view of the existence of the facts herein stated and compliance with the provisions of Rule 5(b) of the Oil Conservation Commission's Order No. R-520, Gulf Oil Corporation requests that the Secretary of the Commission approve the above described non-standard gas proration unit.

Respectfully submitted,

GULF OIL CORPORATION

By: B. E. Thompson
Division Production Manager

cc: Registered Mail Return Receipt Requested:

Amerada Petroleum Company
Box 2040
Tulsa, Oklahoma

Sinclair Oil & Gas Company
Box 1470
Hobbs, New Mexico

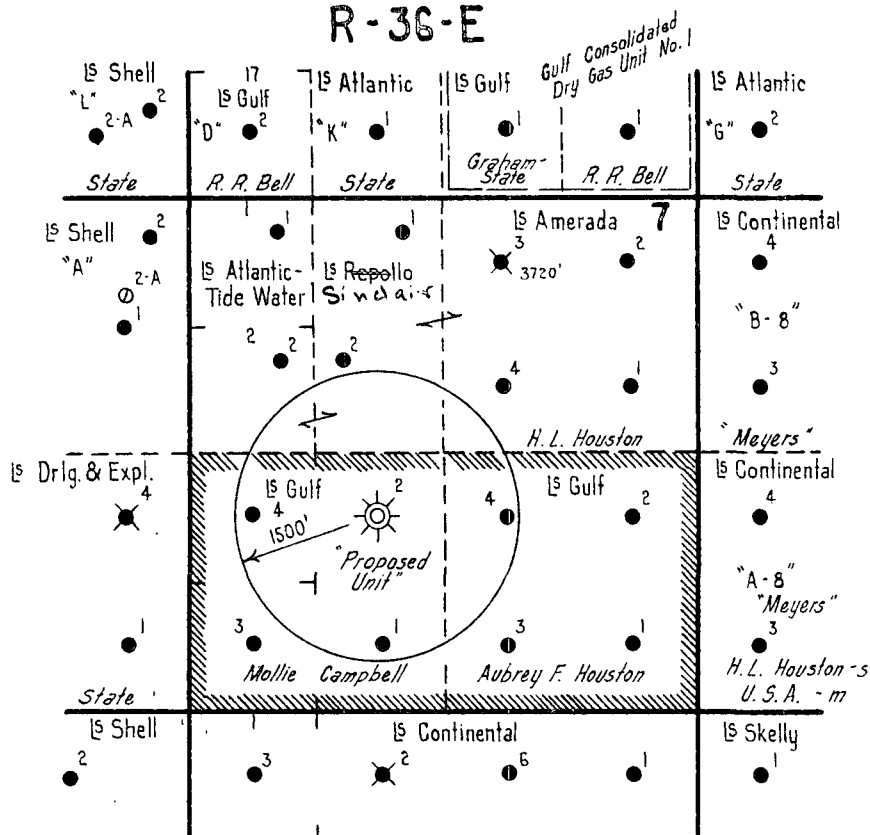
Atlantic Refining Company
Box 871
Midland, Texas

Tide Water Associated Oil Co.
Box 1404
Houston, Texas

cc: Oil Conservation Commission
Box 2045
Hobbs, New Mexico

R-36-E

T
21
S



GULF OIL CORPORATION
FORT WORTH PRODUCTION DIVISION
Scale 1" = 2,000'

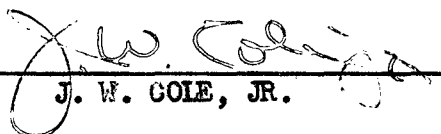
Plat Accompanying Application for
320-Acre Non-Standard Gas Unit

Gulf - Mollie Campbell and
Aubrey F. Houston Leases

STATE OF TEXAS |

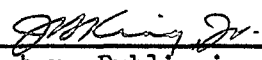
COUNTY OF TARRANT |

BEFORE ME, the undersigned authority, on this day personally appeared J. W. COLE, JR. of the Fort Worth Production Division of Gulf Oil Corporation, who, after being by me duly sworn, upon his oath states that, to the best of his knowledge, the statements contained in the foregoing Application of Gulf Oil Corporation, dated May 19, 1955, are true and correct and that copies of such Application were duly deposited on May 20, 1955, in the United States post office as registered mail, with all charges prepaid, addressed to each of the parties shown receiving carbon copies of such Application.


J. W. COLE, JR.

SUBSCRIBED AND SWORN to before me by the said J. W. Cole, Jr. this 20th day of May, 1955, to certify which witness my hand and seal of office.



 J. H. King, Jr.
Notary Public in and for Tarrant
County, Texas

My Commission Expires:

June 1, 1955

OIL CONSERVATION COMMISSION

BOX 2045

HOBBS, NEW MEXICO

DATE 6/8/55

MR. W. B. MACEY
OIL CONSERVATION COMMISSION
BOX 871
SANTA FE, NEW MEXICO

RE: PROPOSED NSP 157

PROPOSED NSL

Dear Mr. Macey:

I have examined the application dated 5/19/55

for the Gulf Oil Corp. Mollie Campbell #2 7-21-36
Operator Lease and Well No. S-T-R

and my recommendations are as follows:

Campbell #1, 3, and 4 are Queen oil wells and if all the S/2 is dedicated
to this gas well 3 of the 40s will have two allowables in the Eumont Pool.

Gulf requests we hold for a few days. RFM

HOLD -SJS

Yours very truly,

OIL CONSERVATION COMMISSION

Stanley J. Stanley
Engineer

STANLEY
ENGINEER

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