

U. S. OFFICE 333

RECEIVED JUL 31 1956

July 26, 1956

Gulf Oil Corporation
P. O. Drawer 669
Roswell, New Mexico

Re: Elbert Shipp Eumont Gas Unit
No. 1 Well - Sec. 21-19S-37E = N/2
Communitization

Attention: Mr. F. E. Curtis, Jr.
Zone Landman

Gentlemen:

We are enclosing two copies of the above designated Communitization, which was approved by the Commissioner of Public Lands July 26, 1956.

We talked to your Mr. S. H. Cavin in regard to the royalty payments which are past due on this, since you have been producing on a 320-acre allowable which included 120 acres of State owned land. We understand this well has been on production since December, 1955, if not before.

Inasmuch as the State acreage is under lease B-2209, Humble Oil and Refining Co. being the record owner, we are mailing a copy of this letter to them and trust we will have a full royalty payment immediately.

We are enclosing Official Receipt No. 122707-D in the amount of \$5.00, which covers filing fee.

Very truly yours,

E. S. WALKER
Commissioner of Public Lands

MMR/m
enc: 3

cc: OCC-Santa Fe

Humble Oil and Refining Co.
Box 2180, Houston, Texas



MAIN OFFICE 000
PETROLEUM AND ITS PRODUCTS

103 AUG 1 10 PM
GULF OIL CORPORATION

P. O. DRAWER 669 • ROSWELL, NEW MEXICO

F. E. CURTIS, JR.
ZONE LANDMAN

July 31, 1956

FORT WORTH
PRODUCTION DIVISION

well
E. Shipp ~~Element~~ Gas
Unit No. 1 - N/2 of
Section 21-19S-37E,
Lea County, New Mexico.
Administrative Order
NSP-167.

Oil Conservation Commission
Box 871
Santa Fe, New Mexico
Attention: Mr. A. L. Porter

Oil Conservation Commission
1200 West Broadway
Hobbs, New Mexico
Attention: Mr. R. F. Montgomery

Gentlemen:

We enclose herewith, for your information and file,
photostatic copy of the gas pooling agreement between Gulf Oil
Corporation and Humble Oil & Refining Company, covering the above
described tract and approved by the Commissioner of Public Lands
July 26, 1956.

Very truly yours,

F. E. Curtis, Jr.
F. E. CURTIS, JR.

SHC:dm
Enc.

GAS POOLING AGREEMENT

THIS AGREEMENT made and entered into the 31st day of October, 1955, by and between GULF OIL CORPORATION, hereinafter called "Gulf", and HUMBLE OIL & REFINING COMPANY, hereinafter called "Humble", and the other parties who execute or ratify this instrument, hereinafter called "Subscribers",

WITNESSETH, that

WHEREAS, Gulf is the owner and holder of oil and gas lease dated November 16, 1928 between Elbert Shipp as lessor, and F. L. Luokel as lessee, covering, among other lands, the $\frac{W}{4}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ NE $\frac{1}{4}$, and SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 21, Township 19 South, Range 37 East, N.M.P.M., Lea County, New Mexico; and

WHEREAS, Humble is the owner and holder of State of New Mexico Oil and Gas Lease No. B-2209 dated November 7, 1933 between the State of New Mexico as lessor, and F. William Kutter as lessee, covering, among other lands, the $\frac{W}{4}$ NE $\frac{1}{4}$ of Section 21, Township 19 South, Range 37 East, N.M.P.M., Lea County, New Mexico; and

WHEREAS, Humble is the owner and holder of State of New Mexico Oil and Gas Lease No. B-2209 dated November 7, 1933 between the State of New Mexico as lessor, and F. William Kutter as lessee, covering, among other lands, the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 21, Township 19 South, Range 37 East, N.M.P.M., Lea County, New Mexico; and

WHEREAS, Subscribers own, subject to the rights of Gulf and Humble, certain royalties and overriding royalties in the said above described land or portion thereof; and

WHEREAS, it is the desire of the parties hereto that this agreement cover the NE $\frac{1}{4}$ of Section 21, Township 19 South, Range 37 East, Lea County, New Mexico for the production of gas and associated liquid hydrocarbons from a gas well as defined by the New Mexico Oil Conservation Commission within the vertical limits of the Eusmont Gas Pool as defined by said Commission in its Order No. B-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, Gulf 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 Gulf, its successors or assigns, for the production therefrom of dry gas and associated liquid hydrocarbons as an entirety,

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STATE LAND DEPT.
SANTA FE, N.M.
OCT 31 1955

with the understanding and agreement that the dry gas and associated liquid hydrocarbons from the pooled proration unit shall be allocated among the present or future owners of leasehold or royalty interests in the proportion that the acreage interest of each bears to the entire acreage interest committed hereto. There shall be no obligation on Gulf, or its successors or assigns, to offset any gas well or wells or to separate component tracts into which such pooled proration unit is now or may hereafter be divided; nor shall Gulf, 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 tract from drainage by any gas well or wells which may be drilled offsetting the said tract. Payment of rentals under the terms of the leases hereinabove mentioned and described shall not be affected by this agreement except as may be herein otherwise provided.

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 lands 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 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.

This agreement shall be binding upon the parties hereto and shall extend to and be binding on their respective heirs, executors, administrators, personal representatives, successors and assigns, and may be executed in one or more counterparts by any of the parties hereto, and all counterparts so executed shall be taken as a single agreement and shall have the same force and effect as if all parties had in fact executed a single instrument, or may be ratified or consented to by separate

instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.

IN WITNESS WHEREOF, the parties hereto have executed this agreement the day and year herein first above written.

GULF OIL CORPORATION

ATTEST:


Assistant Secretary
H. M. CRAIG

By:


H. M. Sawyer, Vice President
Attorney-in-fact

HUMBLE OIL & REFINING COMPANY

ATTEST:


Assistant Secretary

By:


VICE PRESIDENT

FORM APPROVED
Horton, Day & Hinkle

BY

TRADE O.K.
W. A. MALEY

By: 

SUBSCRIBERS:

STATE OF TEXAS }
COUNTY OF DAWSON } SS

On this 31st day of October, 1955, before me personally appeared C. D. CORDRY, to me personally known, who being by me duly sworn did say that he is Attorney-in-Fact of GULF OIL CORPORATION and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and the said C. D. CORDRY acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal on this, the day and year last above written.



E. M. Coates
Notary Public E. M. Coates

My Commission expires:

June 1, 1957

STATE OF TEXAS }
COUNTY OF HARRIS } SS

On this 8th day of June, 1956, before me personally appeared C. E. REISTLE JR. to me personally known, who being by me duly sworn did say that he is the Vice President of HUMBLE OIL & REFINING COMPANY and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and the said C. E. REISTLE JR. acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal on this, the day and year last above written.

Lilla Ellington
Notary Public

NOTARY PUBLIC IN AND FOR
HARRIS COUNTY, TEXAS



My Commission expires:

My Commission Expires June 1, 1957

CERTIFICATE OF APPROVAL

BY COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

ELBERT SHIPP EUMONT GAS UNIT NO. 1 COMMUNITIZATION

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, the attached Agreement for the development and operation of acreage which is described within the attached Agreement, dated October 31, 1955, which has been executed or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the proposed area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the state, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me by Chap. 88 of the Laws of the State of New Mexico, 1943, as amended by Chap. 162 of the laws of New Mexico, 1951, I, the undersigned, Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid Chap. 88 of the Laws of the State of New Mexico, 1943, as amended by Chap. 162 of the Laws of the State of New Mexico, 1951. This approval is effective as of date production was obtained on 320-acre allowable.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 26 day of July, 1956.



E. Swalkin

Commissioner of Public Lands
of the State of New Mexico

In reply refer to:
Unit Division

October 15, 1956

Humble Oil & Refining Company
P. O. Box 2180
Houston, Texas

Re: Gulf's Elber Shipp
Eumont Gas Unit No. 1
N/2 Sec. 21-19S-37E
Communitization Agreement

Attention: Mr. Geo. W. LeVan
Crude Oil Division
Order & Title Div.

Gentlemen:

We are in receipt of your letter dated October 2, 1956, which is in reply to the Royalty Division letter to you of September 25, 1956.

The above designated Communitization was approved by the Commissioner July 26, 1956, pooling your 120 acres in N. M. State Lease B-2209, however, this well has been operating under Oil Conservation Commission Administrative Order NSP-167 on a 320 acre allowable since December, 1955.

We feel there has been ample time in which operating contracts could have been negotiated and there is royalty due from your Company since the date your acreage was used to complete the 320 acre allowable, which we believe dates to December, 1955.

We trust this royalty will be immediately forthcoming otherwise we will refer this to the New Mexico Oil Conservation Commission.

Very truly yours,

E. S. WALKER
Commissioner of Public Lands

MMR

cc: Gulf Oil Corp-Roswell
OCC-Santa Fe