

Gulf Shipp "B" Well No. 2  
w/2 Sec 8 T-19-S-R  
Lea County -

HOBBS OFFICE OCC

SEP 27 7:08 AM

September 30, 1957

In reply refer to:  
Unit Division

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

Re: Communitization for  
Elbert Shipp "B" No. 2  
well; w/2 of Sec. 8-19S-37E  
Lea County, New Mexico

Gentlemen:

We are enclosing one copy of the above designated  
Communitization, which was approved by the Commissioner  
of Public Lands September 30, 1957.

We are handing one copy of this Communitization to  
the Oil Conservation Commission as proof of communitization  
in order that your 320 acre allowable can be effective as  
of October 1, 1957.

Under another letter we will set forth the royalty  
problems which still exist on this communitized area.

Also enclosed is Official Receipt No. E-17900 in the  
amount of \$5.00 covering filing fee.

Very truly yours,

MURRAY E. MORGAN  
Commissioner of Public Lands

By: Ted Bilberry, Supervisor  
Oil and Gas Department

MEM:mar

cc: OCC-Santa Fe, N. M.

**CERTIFICATE OF APPROVAL**

**BY COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO  
COMMUNITIZATION**

**ELBERT SHIPP "B" WELL NO. 2**

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 June 1, 1957, 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 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 under Sections 7-11-39, 7-11-40, 7-11-41, 7-11-47, 7-11-48, New Mexico Statutes Annotated 1953 Compilation, 1, 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 statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 30 day of September 19 57.

**Commissioner of Public Lands  
of the State of New Mexico**

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 on 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 unit, but the Lessee shall not be released from the obligation to protect said unit from drainage by any gas well or wells which may be drilled offsetting the said unit. 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, and operations or production pursuant to this Agreement shall be deemed to be operations or production as to each lease committed hereto.

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 hereinabove described 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 the unit allowable established by the New Mexico Oil Conservation Commission first becomes effective and shall remain in force and effect for a period of one (1) 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. It is further provided that after the expiration of said one-year period, should the unit well or wells be reclassified by the New Mexico Oil Conservation Commission, or should the pooled proration unit cease to produce gas in paying quantities from any cause, this Agreement shall not terminate, if within six (6) months after the date of any such reclassification or cessation of such production, Operator shall commence operations for the purpose of restoring gas production from the unit, in which event this Agreement shall remain in full force and effect during the period such operations are being diligently

prosecuted and so long thereafter as dry gas, with or without associated liquid hydrocarbons, is produced from said unit in paying quantities.

IN WITNESS WHEREOF, this instrument is executed in triplicate on the day and year herein first above written.

GULF OIL CORPORATION

ATTEST:

 C. A. WILLIAMS

By C. D. GORDY Attorney-in-Fact

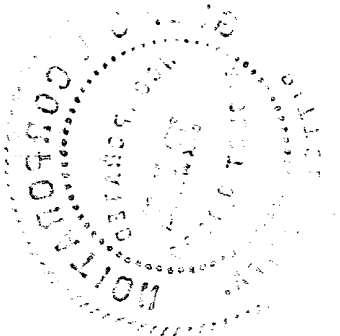
THE TEXAS COMPANY

ATTEST:

Assistant Secretary

JOHN K. KELLY

ESTHER L. KELLY



STATE OF TEXAS

COUNTY OF TARRANT

The foregoing instrument was acknowledged before me  
this \_\_\_\_\_ day of \_\_\_\_\_, 1957, by  
C. D. CORDRY, Attorney-in-Fact  
of SULLY OIL CORPORATION, a Pennsylvania corporation, on behalf  
of said corporation.

Notary Public

My commission expires:

STATE OF TEXAS

COUNTY OF TARRANT

The foregoing instrument was acknowledged before me  
this \_\_\_\_\_ day of August, 1957, by

THE TEXAS COMPANY, a Delaware corporation,  
on behalf of said corporation.

Notary Public

My commission expires:

June 1, 1959

STATE OF

COUNTY OF

The foregoing instrument was acknowledged before me  
this \_\_\_\_\_ day of \_\_\_\_\_, 1957, by JOHN M. KELLY  
and \_\_\_\_\_, his wife.

Notary Public

My commission expires:

