

**AFFIDAVIT OF PUBLICATION**  
**FILED**

MAY - 8 1972

STATE OF OKLAHOMA, }  
OKLAHOMA COUNTY } ss.

**SECRETARY  
CORPORATION COMMISSION  
OF OKLAHOMA**

Kathryn Ratcliffe of lawful age, being duly sworn on oath, deposes and says: That she is the Principal Clerk of THE DAILY LAW JOURNAL-RECORD, a newspaper of general circulation in the State of Oklahoma and printed at Oklahoma City, Oklahoma, regularly, continuously and uninterrupted published in said County for a period of more than 104 consecutive weeks next prior to the publication of the attached notice, and having a paid circulation therein and with admission to the United States mails as second class mail matter and printed in Oklahoma City, Oklahoma County, where delivered to the United States mail; that said newspaper comes within all of the prescriptions and requirements of Senate Bill No. 47 and specifically Section 1 thereof, enacted by the Nineteenth Legislature of State of Oklahoma, approved April 13, 1943 (Title 25, Chap. 4, Session Laws, 1943) and meets all other requirements of the laws of the State of Oklahoma with reference to legal publications; that the attached notice was published in all regular editions of said newspaper on the following dates:

May 3, 1972

*Kathryn Ratcliffe*

Subscribed and sworn to before me this 3rd

day of May, 1972

*Don P.*

Notary Public.

My commission expires November 10, 1974

PUBLISHER'S FEE: \$29.00

5M-8-71

(23296B)  
**NOTICE AND ORDER  
REFERRING AND SETTING  
CAUSE FOR HEARING**  
Cause CD No. 35,082

Before the Corporation Commission of the State of Oklahoma.

**APPLICANT GULF OIL CORPORATION.** In the Matter of the Application of Gulf Oil Corporation for the Creation of the Milroy Unit, having for its purpose the utilized management, operation and further development of the common source of supply described as a portion of the Deese sands as defined herein underlying lands in Carter and Stephens Counties, Oklahoma, defining the unit area thereof and describing the Plan of Utilization applicable thereto.

**STATE OF OKLAHOMA:** To All Persons, Owners, Producers, Operators, Purchasers and Takers of oil and gas, and all other interested persons, particularly in Carter and Stephens Counties, Oklahoma.

**NOTICE IS HEREBY GIVEN** THAT Applicant in this Cause is requesting that the Commission grant an order creating the Milroy Unit having for its purpose the utilized management, operation, and further development of the common source of supply described as all of that portion of the Deese sands common source of supply encountered in the interval from 3,070 feet to 3,906 feet as indicated on the electric log of the Powell Briscoe Queen Harris No. 1, located in the center of the SW SE SE of Section 13-2S-4W, Stephens County, Oklahoma, underlying the following-described lands:

W 1/4 SE, SE SE and SW NE SE of Section 11-2S-4W; S 1/4 SW SW and SW SE SW of Section 12-2S-4W; SE, S 1/4 NE, W 1/4 NW NE, SE NW NE, S 1/4 NE NE and W 1/4 except lands lying South and West of a line beginning at the SE corner of the SW SW SW, thence in a northwesterly direction to the NW corner of the SW SW SW, of Section 13-2S-4W; SE NE NW, NE SE NW and all E 1/4 lying North and East of a line beginning at the NE corner of the SE SE SE, thence in a northwesterly direction to the NW corner of the SW SW NE of Section 14-2S-4W; N 1/4 NE, NE SW NE and NE NE NW of Section 24-2S-4W; all in Stephens County, Oklahoma, and SW SW, S 1/4 NW SW, NW NW SW and W 1/4 SE SW of Section 18-2S-3W; and NW NW, W 1/4 NE NW and N 1/4 SW NW of Section 19-2S-3W; all in Carter County, Oklahoma.

**NOTICE IS FURTHER GIVEN** that attached to said application as Exhibit 1 is a Plan of Utilization and the application states that said Plan of Utilization is suited to the needs and requirements of this particular unit, dependent upon the facts and conditions existing with respect thereto, and makes provisions for all rights, obligations and duties as between lessees as required by law.

**IT IS ORDERED** that this Cause be referred to a Trial Examiner for hearing, taking of evidence and reporting his findings and recommendations to the Commission.

**IT IS ORDERED AND NOTICE IS HEREBY GIVEN** that this cause will be heard before a Trial Examiner at the Corporation Commission, 3rd Floor, Jim Thorpe Building, Oklahoma City, Oklahoma, at 9:00 a.m., on the 25th day of May, 1972, and that this Notice and Order be published as required by law and the rules of the Commission.

**NOTICE IS FURTHER GIVEN** that, regardless of the request of Applicant, the Commission will prescribe such relief and will issue such new Orders or repeal, amend, vacate, modify or supplement any Orders heretofore issued and will take such other action as the Commission deems fair, reasonable, and equitable in the premises.

**NOTICE IS FURTHER GIVEN** THAT all interested persons may appear and be heard. For information concerning this action, contact Cornet C. Johns, 800 Oklahoma Mortgage Building, Oklahoma City, Oklahoma.  
**DONE AND PERFORMED** this 2nd day of May, 1972.

**CORPORATION COMMISSION  
OF OKLAHOMA**  
CHARLES NESBITT, Chairman  
RAY C. JONES, Vice Chairman  
WILBURN CARTWRIGHT, Commissioner  
(Seal) \_\_\_\_\_  
Attest: ED OVERHOLSER, Secretary

6

63,000

owned tracts within the unit area, such as will reasonable permit persons otherwise entitled to share in the benefit of the production of such separately owned tracts, to produce or receive, in lieu thereof, their fair, equitable, and reasonable share of the unit production or other benefits thereof. That the separately owned tracts fair, equitable, and reasonable share of the units production is measured by the value of each such tract for oil and gas purposes and its contributing value to the unit in relation to like values of other tracts in the unit, taking into account acreage, quantities of oil and gas recoverable therefrom, location on structure, its probable productivity of oil and gas in the absence of unit operations, the burden of operations which the tract will, or is likely, to be subjected.

6. It is the further testimony of the applicant that 82.1% of the lessees of record of the unit area affected hereby, and that it has been ratified by owners of record of not less than 81.1% (exclusive of royalty interests owned by lessees or by subsidiary of any lessee) of the normal 1/8 royalty interests in and to the unit area and that an executed plan of unitization which has been executed by the lessees and ratified by the royalty interest and overriding royalty interest has been filed by the Corporation Commission.

7. It was the testimony of the applicant on cross-examination that the interest owned by the protestant Petroleum Corporation of Texas was formerly owned by Amerada Hess Corporation, and that it was determined by the engineering committee working with Amerada Hess that their tract should be given more reserves than it had originally been given and this was done. It further came out upon cross-examination that while there was an increase to the Petroleum Corporation of Texas tract that the increase had actually been spread on a participation basis over all the unit area.

8. It is the testimony of the protestant, Petroleum Corporation of Texas, that it owns an interest in tracts 9 and 19, that tract 9 has two wells both being completed in August of 1952 and tract 19 has no wells at this time, that the approximate current production is 14 barrels of oil per day for the two wells. That it acquired its interest from Amerada Hess on a bid basis on November 1, 1971, that it made the purchase with knowledge of the unitization but did not know exactly when the unitization would come into effect, that it became aware of the meetings of engineering committees for the unitization of this area after they were held, the reason for this was that Amerada Hess failed to transmit notice to Petroleum Corporation of Texas. That the primary reserve figure assigned by the Protestant as of November 1, 1971 when they purchased these two tracts was in excess of 62,000 barrels of primary reserves and this was based on a 6% decline curve. That the reason for its opposition to this plan of unitization is that Petroleum Corporation of Texas although it operates 10 unitizations and is partners in 18 other unitizations it feels that it cannot participate in this plan due to the participation formula since its tracts will not be able to recover its per rata share of the oil. That the unit operation, that is those operations which will convert the wells to water injection wells and other items which will benefit the secondary recovery phase of the operation are being charged against the primary production. That the formula should be modified to give more weight to remaining primary reserves, that also the engineering committee only allocated 33,000 barrels of remaining primary to Petroleum Corporation of Texas tracts while under a decline curve which was used to purchase the property over 62,000 of remaining primary were established by both Amerada Hess and the protestant. That based on economics the unit would operate for the first three years at a loss and that said plan would continue at a loss except for the last three years of its life. That Petroleum Corporation of Texas loss would be \$17,600.00, as figured on the present participation formula. That it is further the protestant's position that it did not receive its full share of the remaining primary reserves which were agreed upon between the engineering committee and Amerada Hess before it purchased the

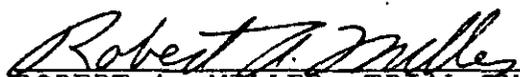
property, that instead of assigning the remaining primary to the Amerada Hess tracts it was spread throughout the unit. That it feels for the above stated reasons that the plan of unitization should not be approved by the Commission at this time.

9. It would appear to the Trial Examiner that the engineering committee had agreed with Amerada Hess Corporation that the Amerada Hess tract should be given more reserve than it had originally been given, that a figure was arrived at but then instead of giving those reserves to the Amerada Hess tracts which are not owned by Petroleum Corporation of Texas those reserves were allocated throughout all tracts under the plan of unitization. It would appear to the Trial Examiner that this is not fair and that the plan of unitization would be better if those reserves were taken out of the other tracts and allocated to those tracts owned by Petroleum Corporation of Texas. That as far as the rest of the plan of unitization it would appear to be a fair and reasonable plan of unitization which would recover additional oil for the State of Oklahoma. It would further appear that it is reasonably necessary to have the unitized management in which to recover this additional oil, that the plan of unitization of the applicant is feasible, that it will prevent waste and it would result in increased recovery of substantially more oil and gas from the common source of supply than otherwise would have been recovered. That the estimated additional cost of the operation would not exceed the value of additional oil and gas so recovered, but that the plan of unitization as outlined in this application would not result in the common good to all operators.

10. The plan of unitization has been ratified by 82.1% of the lessees of record of the unit area affected hereby, that it has been ratified by the owners of record of not less than 81.1% (exclusive of royalty interests owned by the lessees or by subsidiary of any lessee) with the normal 1/8 royalty interest in and to the unit area.

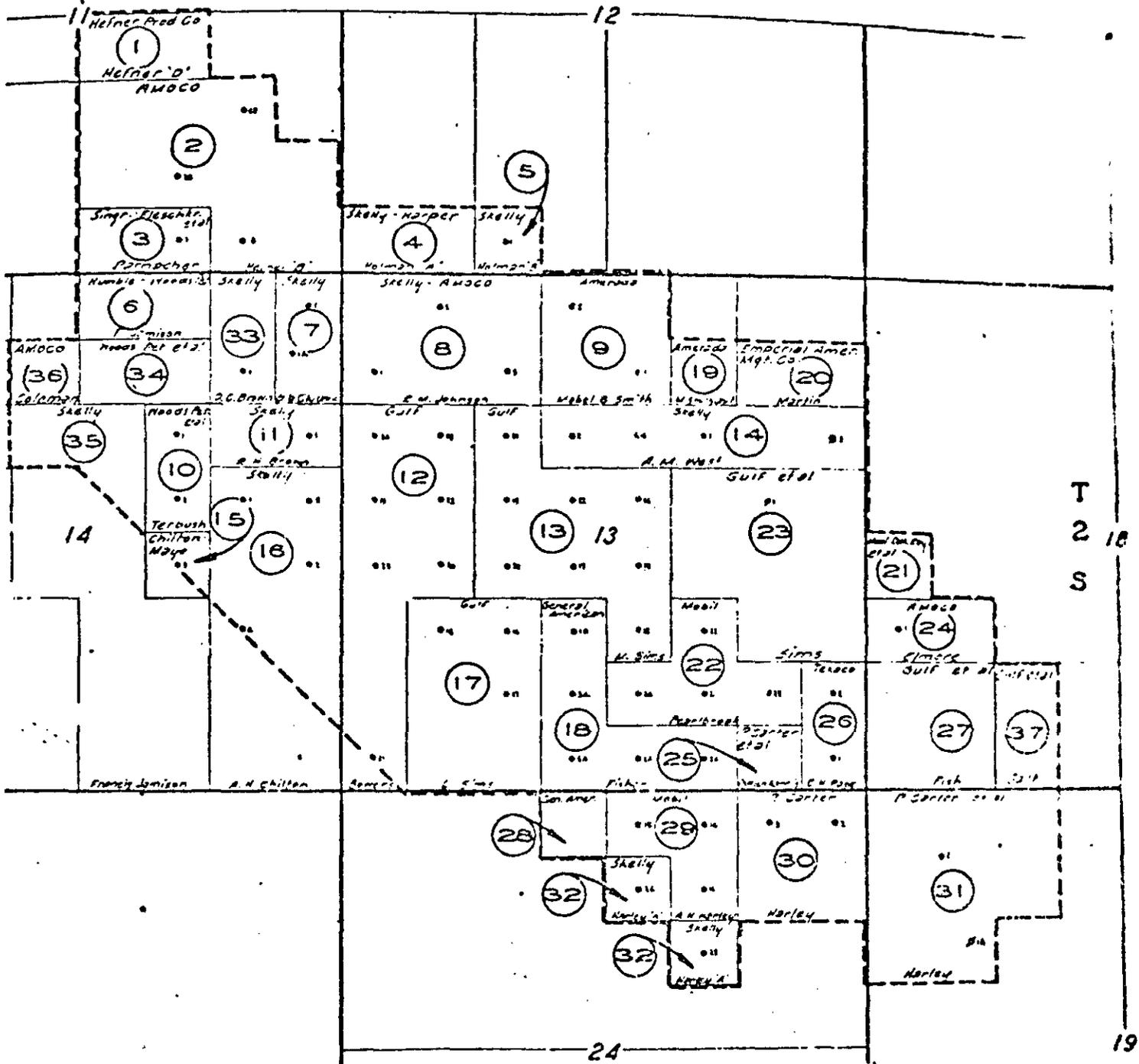
11. Therefore, taking into consideration all of the evidence, facts and circumstances appearing in this cause, especially that evidence which relates to the fact that the engineering committee did not allocate the remaining primary reserves equitable, it would appear that the plan of unitization as it is now prepared is inequitable and that an order should be made denying the plan of unitization as presented at this time.

DATED this 12<sup>th</sup> day of July, 1972.

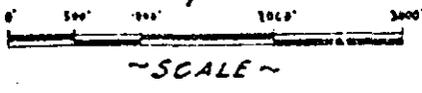
  
ROBERT A. MILLER, TRIAL EXAMINER

R 4 W

R 3 W



MILROY FIELD WF Unit  
 Carter & Stephens Co., Okla.



- Unit Outline
- ② - Tract Number

EXHIBIT 'B'

*[Handwritten Signature]*  
 Gulf Oil  
 0493054

CA. 35082

**FILED**  
**Affidavit of Publication**

STATE OF OKLAHOMA, )

MAY - 5 1972

County of Carter. )

SECRETARY

June Thomason CORPORATION COMMISSION

age, being first duly sworn, upon O.K. and says:

That she is clerk of the Daily Ardmoreite, a daily newspaper published at Ardmore in Carter County, State of Oklahoma, having a paid general circulation in said county, with entrance thereof into the United States mail as second-class mail matter, and that said newspaper is published in said county where the same is delivered to the United States mail; that the notice, a true copy of which, clipped from an issue of the Daily Ardmoreite, is hereto attached, was published in the entire regular edition of said newspaper on the following dates:

May 4, 1972

And that said newspaper has been continuously and uninterruptedly published in said county during a period of 104 weeks consecutively next prior to the first publication of notice hereto attached. Affiant further states that said newspaper has met and complied with all requirements of the statutes of the State of Oklahoma in such cases made and provided, and particularly with reference to Chap. 4, Title 25, Okla. Sess. Laws of 1943.

June Thomason

Subscribed and sworn to before me this the

4th day of May, 19 72

by June Thomason, personally

known to me to be the clerk of the Daily Ardmoreite at Ardmore, Carter County, Oklahoma.

Witness my hand and official seal on the day and year above written.

Luzanne McLeir  
Notary Public, Carter County, Oklahoma

My commission expires 2-9-73

NO. 2966  
NOTICE AND ORDER REFERRING AND SETTING CAUSE FOR HEARING BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA APPLICANT: GULF OIL CORPORATION

In the Matter of the Application of Gulf Oil Corporation for the creation of the Millroy Unit, having for its purpose the unitized management, operation and further development of the common source of supply described as a portion of the Deese sands as defined herein underlying lands in Carter and Stephens Counties, Oklahoma, defining the unit area thereof and describing the Plan of Utilization applicable thereto.

STATE OF OKLAHOMA: To All Persons, Owners, Producers, Operators, Purchasers and Takers of oil and gas, and all other interested persons particularly in Carter and Stephens Counties, Oklahoma.

NOTICE IS HEREBY GIVEN THAT Applicant in this Cause is requesting that the Commission grant an order creating the Millroy Unit having for its purpose the unitized management, operation, and further development of the common source of supply described as all of that portion of the Deese sands common source of supply encountered in the interval from 3,070 feet to 3,906 feet as indicated on the electric log of the Powell Briscoe Queen Harris No. 1, located in the center of the SW SE SE of Section 13-25-4W, Stephens County, Oklahoma, underlying the following described lands:

W 1/2 SE, SE SE and SW NE SE of SE SW of Section 12-25-4W; SE, S 1/2 Section 11-25-4W; S 1/2 SW SW and SW SE SW of Section 12-25-4W; SE, S 1/2 NE, W 1/2 NW NE, SE NW NE, S 1/2 NE NE and W 1/2 except lands lying South and West of a line beginning at the SE corner of the SW SW SW, thence in a north-westerly direction to the NW corner of the SW SW SW, of Section 13-25-4W; SE NE NW, NE SE NW and all E 1/2 lying North and East of a line beginning at the NE corner of the SE SE SE, thence in a north-westerly direction to the NW corner of the SW SW NE of Section 14-25-4W; N 1/2 NE, NE SW NE and NE NE NW of Section 24-25-4W; all in Stephens County, Oklahoma, and SW SW, S 1/2 NW SW, NW NW SW and W 1/2 SE SW of Section 18-25-3W; and NW NW, W 1/2 NE NW and N 1/2 SW NW of Section 19-25-3W; all in Carter County, Oklahoma.

NOTICE IS FURTHER GIVEN that attached to said application as Exhibit 1 is a Plan of Utilization and the application states that said Plan of Utilization is suited to the needs and requirements of this particular unit, dependent upon the facts and conditions existing with respect thereto, and makes provisions for all rights, obligations and duties as between lessees as required by law.

IT IS ORDERED that this Cause be referred to a Trial Examiner for hearing, taking of evidence and reporting his findings and recommendations to the Commission.

IT IS ORDERED AND NOTICE IS HEREBY GIVEN that this cause will be heard before a Trial Examiner at the Corporation Commission, 3rd Floor, Jim Thorpe Building, Oklahoma City, Oklahoma, at 9:00 a.m., on the 25th day of May, 1972, and that this Notice and Order be published as required by law and the rules of the Commission.

NOTICE IS FURTHER GIVEN that, regardless of the request of Applicant, the Commission will prescribe such relief and will issue such new Orders or repeal, amend, vacate, modify or supplement any Orders heretofore issued and will take such other action as the Commission deems fair, reasonable, and equitable in the premises.

NOTICE IS FURTHER GIVEN THAT all interested persons may appear and be heard. For information concerning this action contact Comet C. Johns, 600 Oklahoma Mortgage Building, Oklahoma City, Oklahoma.

DONE AND PERFORMED this 2nd day of May, 1972.

CORPORATION COMMISSION OF OKLAHOMA  
/s/ CHARLES NESBITT  
Chairman  
/s/ RAY C. JONES  
Vice Chairman  
/s/ WILBURN CARTWRIGHT  
Commissioner

ATTEST:  
ED OVERHOLSER  
Secretary  
(Published in The Daily Ardmoreite  
May 4, 1972)

(9)

PROOF OF PUBLICATION

CORPORATION COMMISSION OF THE STATE OF OKLAHOMA IN THE COURT OF STEPHENS COUNTY, OKLAHOMA.

STATE OF OKLAHOMA

= SS: NOTICE & ORDER REFERRING & SETTING CAUSE FOR HEARING

Case No. CD 35082

COUNTY OF STEPHENS

FILED MAY 5 1972

P.S. FERNALD of lawful age, being duly sworn upon oath, deposes and says: That (s)he is the ADV. MGR. of the Duncan Banner, a daily newspaper printed and published in the city of Duncan, County of Stephens, and State of Oklahoma, and has personal knowledge of the facts herein stated:

That a printed notice, copy of which is hereto attached, was published in the regular edition of said newspaper, and not in any supplement thereof, for 1 time consecutive weeks, the first publication thereof being made on Thursday, the 4th day of MAY, 19 72, and the last publication on Thursday the day of 19 and that said notice was published in each successive Thursday issue of said paper between the dates of last publication of said notice.

That said newspaper has been continuously and uninterruptedly published in said county for a period of more than one hundred and four (104) weeks, consecutively and immediately prior to the publication of the attached notice or advertisement; that the same is published in the English language and has a paid general circulation within the county aforesaid; that it has entrance into the United States mails as second-class mail matter, and is delivered to the United States mails in the city and county of publication; that said newspaper comes within all of the prescriptions and requirements of Senate Bill No. 106 and 108, and meets all other requirements of the laws of the State of Oklahoma with reference to newspaper publications.

Publication fee \$ 25.80

Signature of P.S. Fernald, Title

SUBSCRIBED and sworn to before me this 4th day of MAY, 19 72

Signature of Notary Public, Notary Public

My commission expires: JAN 22 19 76

(Published in Thursday's Edition of the Duncan Banner May 4, 1972) BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA

APPLICANT GULF OIL CORPORATION in the Matter of the Application of Gulf Oil Corporation for the creation of the Milroy Unit, having for its purpose the unitized management, operation and further development of the common source of supply described as a portion of the Deese sands as defined herein underlying lands in Carter and Stephens Counties, Oklahoma, defining the unit area thereof and describing the Plan of Unitization applicable thereto. Cause CD No. 35082

NOTICE AND ORDER REFERRING AND SETTING CAUSE FOR HEARING

STATE OF OKLAHOMA. To All Persons, Owners, Producers, Operators, Purchasers and Takers of oil and gas, and all other interested persons, particularly in Carter and Stephens Counties, Oklahoma.

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SECRETARY CORPORATION COMMISSION OF OKLAHOMA Charles Nesbitt, Chairman Ray C. Jones, Vice Chairman Wilburn Cartwright, Commissioner ATTEST: Ed Overholser, Secretary

NOTICE IS FURTHER GIVEN that attached to said application as Exhibit 1 is a Plan of Unitization and the application states that said Plan of Unitization is suited to the needs and requirements of this particular unit, dependent upon the facts and conditions existing with respect thereto, and makes provisions for all rights, obligations and duties as between lessees as required by law. IT IS ORDERED that this Cause be referred to a Trial Examiner for hearing, taking of evidence and reporting his findings and recommendations to the Commission.

5-25-72

# Gulf Oil Company - U.S.

LAW DEPARTMENT

Comet C. Johns  
ATTORNEY

600 Oklahoma Mortgage Building  
Oklahoma City, Okla. 73102

May 1, 1972

Mr. Ed Overholser  
Secretary  
Corporation Commission of Oklahoma  
Third Floor  
Jim Thorpe Building  
Oklahoma City, OK 73105

Dear Mr. Overholser:

APPLICANT GULF OIL CORPORATION  
In the Matter of the Application of Gulf Oil Corporation for the creation of the Milroy Unit, having for its purpose the unitized management, operation and further development of the common source of supply described as a portion of the Deese sands as defined therein underlying lands in Carter and Stephens Counties, Oklahoma, defining the unit area thereof and describing the Plan of Unitization applicable thereto.

I enclose herewith original and five copies of the above application, together with six copies of form of notice and order referring and setting cause for hearing.

I would appreciate your filing this application, issuing the notices and advising me when the matter is set for hearing.

Very truly yours,



COMET C. JOHNS

CCJ:prm  
Encs.

*Sub. 5-10-72.  
Daily Ardmore  
73401  
Duncan Daily Banner  
73533*



A DIVISION OF GULF OIL CORPORATION

EXHIBIT "E"

**NONDISCRIMINATION**

Gulf Oil Company—U.S., a division of Gulf Oil Corporation, hereinafter referred to as "Gulf," is a "contractor" within the meaning of Executive Order No. 11246 dealing with nondiscrimination and equal employment opportunity.

**GULF OIL CORPORATION**

hereinafter called "contractor" in this Exhibit, agrees, unless exempt therefrom, to comply with all provisions of Executive Order 11246 which are incorporated herein by reference, and (a) if contractor has more than 50 employees or a contract with Gulf in excess of \$10,000, contractor must file Standard Form 100 (EEO-1), (b) if contractor has 50 or more employees and a contract of \$50,000 or more, contractor is required to develop a written "Affirmative Action Compliance Program" for each of its establishments according to the Rules and Regulations published by the United States Department of Labor in 41 C.F.R., Chapter 60. Further, contractor hereby certifies that it does not now and will not maintain any facilities provided for its employees in a segregated manner or permit its employees to perform their services at any location under its control where segregated facilities are maintained, as such segregated facilities are defined in Title 41, Chapter 60-1.8, Code of Federal Regulations, revised as of 1/1/69, unless exempt therefrom. Contractor further warrants that no other law, regulation or ordinance of the United States, or any state, or any governmental authority or agency has been violated in the manufacture, procurement or sale of any goods furnished, work performed or service rendered pursuant to this contract.

Unless exempt by rules, regulations or orders of the United States Secretary of Labor, issued pursuant to §204 of Executive Order 11246, dated September 24, 1965, during the performance of this contract, the contractor agrees as follows:

"(1) The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The contractor will take affirmative action to ensure that applicants are employed and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. Such action shall include but not be limited to the following: Employment, upgrading, demotion, or transfer, recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.

"(2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.

"(3) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided by the agency contracting officer, advising the labor union or workers' representative of the contractor's commitments under section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

"(4) The contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

"(5) The contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.

"(6) In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be canceled, terminated or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in executive order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

"(7) The contractor will include the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon such subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions including sanctions for noncompliance: *Provided however*, That in the event the contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States."

EXHIBIT "E"

BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA

APPLICANT GULF OIL CORPORATION )
In the Matter of the Application of )
Gulf Oil Corporation for the creation )
of the Milroy Unit, having for its )
purpose the unitized management, )
operation and further development )
of the common source of supply )
described as a portion of the Deese )
sands as defined herein underlying )
lands in Carter and Stephens Counties, )
Oklahoma, defining the unit area )
thereof and describing the Plan of )
Unitization applicable thereto. )

Cause CD No. 35082

MAY 3 1972

NOTICE AND ORDER REFERRING AND SETTING CAUSE FOR HEARING

SECRETARY CORPORATION COMMISSION OF OKLAHOMA

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IT IS ORDERED that this Cause be referred to a Trial Examiner for hearing, taking of evidence and reporting his findings and recommendations to the Commission.

(3)

IT IS ORDERED AND NOTICE IS HEREBY GIVEN that this cause will be heard before a Trial Examiner at the Corporation Commission, 3rd Floor, Jim Thorpe Building, Oklahoma City, Oklahoma, at 9:00 a.m., on the 25<sup>th</sup> day of MAY, 1972, and that this Notice and Order be published as required by law and the rules of the Commission.

NOTICE IS FURTHER GIVEN that, regardless of the request of Applicant, the Commission will prescribe such relief and will issue such new Orders or repeal, amend, vacate, modify or supplement any Orders heretofore issued and will take such other action as the Commission deems fair, reasonable, and equitable in the premises.

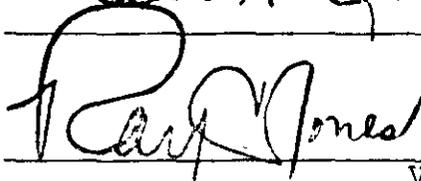
NOTICE IS FURTHER GIVEN THAT all interested persons may appear and be heard. For information concerning this action, contact Comet C. Johns, 600 Oklahoma Mortgage Building, Oklahoma City, Oklahoma.

DONE AND PERFORMED this 2<sup>nd</sup> day of May, 1972.

CORPORATION COMMISSION OF OKLAHOMA



Chairman

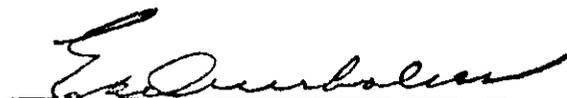


Vice Chairman



Commissioner

ATTEST:

  
Secretary

FOR PUBLICATION IN THE  
Carter, Stephens COUNTIES  
ON 5-2-72 *llh.*

RAY C. JONES  
Commissioner

WILBURN CARTWRIGHT  
Commissioner

CHARLES NESBITT  
Commissioner

DAN R. DUNNETT  
Director of Conservation

W. H. BOWERS  
Manager of Administration

R. F. THWEATT  
Trial Examiner

ED OVERHOLSER  
Secretary

L. W. ELDERKIN  
Mgr. Technical Dept.

H. H. CODY  
Conservation Attorney

FRED A. NORRIS  
Field Manager

NELL RHODES FISHER  
Trial Examiner

E. M. DOYLE  
Mgr. Statistical Dept.

NATHAN SHERMAN  
Asst. Conservation Attorney

S. F. SHAKELY  
Pollution Manager

R. A. MILLER  
Trial Examiner

OKLAHOMA

# Corporation Commission

OKLAHOMA CITY - - - - - OKLAHOMA 73105



OIL AND GAS  
CONSERVATION  
DIVISION

July 12, 1972

Mr. Comet C. Johns  
Attorney At Law  
600 Oklahoma Mortgage Building  
Oklahoma City, Oklahoma 73102

Mr. Barth P. Walker  
Attorney At Law  
3535 N.W. 58th  
Oklahoma City, Oklahoma

Mr. Charles Chastain  
Attorney At Law  
Skelly Oil Company  
1437 S. Boulder  
Tulsa, Oklahoma

RE: CAUSE CD NO. 35082

Gentlemen:

Enclosed find Report of the Trial Examiner in the above cause, which will be filed on the 19th day of July, 1972 and, as provided by Rule 24, paragraph (a) of the Oklahoma Corporation Commission Rules of Practice, you will have five days thereafter in which to file exceptions thereto if you so desire.

Yours very truly,

Handwritten signature of Robert A. Miller in cursive script.  
Robert A. Miller  
Trial Examiner

RAM:1e

Mr. Comet C. Johns  
Attorney at Law  
600 Oklahoma Mortgage Building  
Oklahoma City, Oklahoma

Mr. Barth P. Walker  
Attorney at Law  
3535 N. W. 58  
Oklahoma City, Oklahoma

Mr. Charles Chastain  
Skelly Oil Company  
2915 Classen Blvd.  
Oklahoma City, Oklahoma

**FILED**

**JUL 20 1977**

**SECRETARY  
CORPORATION COMMISSION  
OF OKLAHOMA**

Re: Gulf Oil Corporation  
Cause CD No. 35082

**N O T I C E**

The captioned cause was heard by the Trial Examiner and said Trial Examiner has filed his Report therein to which timely Exceptions have been filed by Gulf Oil Corporation and \_\_\_\_\_.

Arguments on the Exceptions are hereby set for hearing before the Corporation Commission on the 5th day of September, at <sup>9:00</sup>~~10:00~~ O'clock a.m., at which time all interested parties should be present and be heard.

**NELL RHODES FISHER, Attorney**

**OKLAHOMA CORPORATION COMMISSION**



# SKELLY OIL COMPANY

P. O. BOX 1650

TULSA, OKLAHOMA 74102

July 21, 1972

LAW DEPARTMENT  
GEORGE W. SELINGER  
SENIOR ATTORNEY

Re: Cause CD No. 35082

Mr. Ed Overholser, Secretary  
Oklahoma Corporation Commission  
Oil & Gas Conservation Department  
Jim Thorpe Office Building  
Oklahoma City, Oklahoma 73105

Dear Mr. Overholser:

Attached hereto for filing is our Exceptions to Report of Trial Examiner in Cause CD No. 35082.

For your information the Trial Examiner by letter of July 12, which we received on July 13, indicated that he was filing his report on July 19, and as provided by Rule 24, Paragraph (a), of the Commission's Rules of Practice we have five days thereafter or until July 24 to file these exceptions.

Yours very truly,

GWS:br  
Attach.

# Gulf Oil Company - U.S.

EXPLORATION AND PRODUCTION DEPARTMENT  
OKLAHOMA CITY DISTRICT

T. W. Kidd  
DISTRICT MANAGER  
B. L. Choate  
DISTRICT PRODUCTION  
MANAGER  
P. A. Weirich  
DISTRICT EXPLORATION  
MANAGER  
Van R. Cox  
DISTRICT SERVICES MANAGER

600 Oklahoma Mortgage Bldg.  
Oklahoma City, Okla. 73102

October 20, 1972 .

Corporation Commission of Oklahoma  
State Capitol Building  
Oklahoma City, Oklahoma

Attention: Mr. Ed Overholser

Gentlemen:

Declaration of Unit  
Milroy Unit  
Carter and Stephens  
Counties, Oklahoma

With reference to the Corporation Commission Order No. 93054, in Cause CD No. 35082, creating the Milroy Unit, we enclose a Declaration of Unit, dated October 20, 1972, whereby the unit will become effective November 1, 1972, at 7:00 A. M.

A copy of the declaration is being filed in the office of the County Clerk of both Carter and Stephens Counties, Oklahoma.

Very truly yours,

Van R. Cox

By George Harding  
for F. D. Hamilton

JSC/nmm



A DIVISION OF GULF OIL CORPORATION

OCT 23 1972

DECLARATION OF UNITSECRETARY  
CORPORATION COMMISSION  
OF OKLAHOMA

WHEREAS, on the 18th day of September, 1972, the Corporation Commission of Oklahoma, upon application of Gulf Oil Corporation, entered its Order No. 93054 in Cause CD No. 35082, creating the Milroy Unit, covering the Deese Sands of the Pennsylvania Age common source of supply underlying the lands hereinafter described in Carter and Stephens Counties, Oklahoma, which has for its purpose the unitized management, operation and further development of said Deese Sands of the Pennsylvania Age common source of supply and defining the Unit Area of said Unit and prescribing the Plan of Unitization applicable thereto, all as authorized by Senate Bill 203 of the 1951 Legislature, being Title 52, §§ 287.1 to 287.15, inclusive, Oklahoma Statutes 1961; and

WHEREAS, the lands included within the Unit Area of said Unit are described as follows:

Township 2 South, Range 4 West

- Section 11: W/2 SE/4, SE/4 SE/4, SW/4 NE/4 SE/4  
 Section 12: S/2 SW/4 SW/4 and SW/4 SE/4 SW/4  
 Section 13: SE/4, S/2 NE/4, W/2 NW/4 NE/4, SE/4 NW/4 NE/4, S/2 NE/4 NE/4 and W/2 except lands lying South and West of a line beginning at SE Corner of the SW/4 SW/4 SW/4, thence in a northwesterly direction to the NW Corner of the SW/4 SW/4 SW/4.  
 Section 14: SE/4 NE/4 NW/4, NE/4 SE/4 NW/4 and all E/2 lying North and East of a line beginning at the NE Corner of the SE/4 SE/4 SE/4, thence in a northwesterly direction to the NW Corner of the SW/4 SW/4 NE/4.  
 Section 24: N/2 NE/4, NE/4 SW/4 NE/4 and NE/4 NE/4 NW/4.  
 All in Stephens County, Oklahoma.

Township 2 South, Range 3 West

- Section 18: SW/4 SW/4, S/2 NW/4 SW/4, NW/4 NW/4 SW/4 and W/2 SE/4 SW/4  
 Section 19: NW/4 NW/4, W/2 NE/4 NW/4 and N/2 SW/4 NW/4.  
 All in Carter County, Oklahoma.

WHEREAS, it is provided in Article 24 of said Plan of Unitization that the effective date of said Unit shall be a date determined by the Operating Committee and as set forth in a written instrument entitled "Declaration of Unit" and filed in accordance with said Plan of Unitization.

NOW, THEREFORE, Gulf Oil Corporation, Unit Operator of the Milroy Unit, does hereby declare it will take over operation and development of the Unit Area, which includes the Deese Sands of the Pennsylvania Age common source of supply underlying the above described lands, on the 1st day of November, 1972, at 7:00 a.m., which shall be the effective date of the Milroy Unit as is authorized by Order No. 93054 in Cause CD No. 35082, promulgated by the Corporation Commission of the State of Oklahoma on the 18th day of September, 1972, and the Plan of Unitization approved by the Commission in said Order.

DATED this 20th day of October, 1972.

GULF OIL CORPORATION

By J. W. Kill  
ATTORNEY-IN-FACT

DECLARATION OF UNIT

STATE OF OKLAHOMA    )  
                              ) SS:  
COUNTY OF OKLAHOMA   )

On this 20<sup>th</sup> day of October, 1972, before me, a Notary Public, in and for said County and State, personally appeared J. W. KIDD, to me known to be the Attorney in Fact of GULF OIL CORPORATION, a corporation, and to be the identical person who subscribed the name of said corporation to the foregoing instrument as its Attorney in Fact and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation for the uses and purposes therein set forth.

WITNESS my hand and official seal the day and year above written.

My commission Expires:

My Commission Expires August 7, 1976

John P. Cantill  
Notary Public

BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA

APPLICANT GULF OIL CORPORATION )  
IN THE MATTER OF THE APPLICATION OF )  
GULF OIL CORPORATION FOR THE CREATION )  
OF THE MILROY UNIT, HAVING FOR ITS )  
PURPOSE THE UNITIZED MANAGEMENT, )  
OPERATION AND FURTHER DEVELOPMENT )  
OF THE COMMON SOURCE OF SUPPLY )  
DESCRIBED AS A PORTION OF THE DEESE )  
SANDS AS DEFINED HEREIN UNDERLYING )  
LANDS IN CARTER AND STEPHENS COUNTIES, )  
OKLAHOMA, DEFINING THE UNIT AREA )  
THEREOF AND DESCRIBING THE PLAN OF )  
UNITIZATION APPLICABLE THERETO. )

CAUSE CD NO. 35082

**FILED**

JUL 19 1972

SECRETARY  
CORPORATION COMMISSION  
OF OKLAHOMA

REPORT OF THE TRIAL EXAMINER

This cause came on for hearing before Robert A. Miller, Trial Examiner for the Corporation Commission of Oklahoma, in the Commission's courtroom, Jim Thorpe Building, Oklahoma City, Oklahoma on the 25th day of May, 1972, pursuant to notice given as required by law and the rules of the Commission, for the purpose of taking testimony and reporting to the Commission.

At the time of hearing, Mr. Comet C. Johns, Attorney, appeared for the applicant, Gulf Oil Corporation; Mr. Barth P. Walker, Attorney, appeared for Petroleum Corporation Of Texas, Mr. Charles Chastain, Attorney, appeared for Skelly Oil Corporation. Mr. Harvey Cody, Conservation Attorney, appeared for the Commission. The Trial Examiner heard the cause and reports the following:

F I N D I N G S

1. That this is an application of Gulf Oil Corporation for the creation of the Milroy Unit, having for its purpose the unitized management, operation and further development of the common source of supply described as a portion of the Deese sands underlying the W/2 SE, SE SE and SW NE SE of Section 11-2S-4W; S/2 SE SW and SW SE SW of Section 12,2S-4W; SE, S/2 NE, W/2 NE NE, SE NW NE, S/2 NE NE and W/2 except lands lying South and West of a line beginning at the SE corner of the SW SW SW, thence in a northwesterly direction to the NW corner of the SW SW SW, of Section 13-2S-4W; SW NE NW, NE SE NW and all E/2 lying North and East of a line beginning at the NE corner of the SE SE SE, thence in a northwesterly direction to the NW corner of the SW SW NE of Section 14-2S-4W; N/2 NE, NE SW NE and NE NE NW of Section 24-2S-4W; all in Stephens County, Oklahoma and SW SW, S/2 NW SW, NW NW SW and W/2 SE SW of Section 18-2S-3W; and NW NW, W/2 NE NW and N/2 SW NW of Section 19-2S-3W; all in Carter County, Oklahoma.

2. That the Commission has jurisdiction over the subject matter herein and that notice has been given in all respects as required by law and the rules of the Commission.

3. That all of the above named parties are owners of interests within the unit area.

4. That it is the testimony of the applicant in this cause that it has made a study for the plan of unitization in this area. That underlying the proposed unit area is a common source of supply identified as that portion of the Deese sand of the Pennsylvanian age which is encountered between the depths of 3,070 feet and 3,906 feet as indicated on the electric log of the Powell Briscoe Queen Harris #1 located in the center of the SW/4 SE/4 SE/4 of Section 13, Township 2 South, Range 4 West Stephens County, Oklahoma which constitutes one developed common source of supply and has been defined and determined to be productive of oil and gas by actual drilling operations, that the Deese sand is a closed type common source of supply. That the Deese sand is a tight sand with thin beds in the portion to be unitized, that those wells on the edge of the reservoir will have a lesser decline rate than those wells located in the center of the unit area, but that it should be expected that the wells on the edge of the reservoir decline rate will increase as the field is depleted; that the normal field decline for the Deese Sand in the unit area is 15% while the decline rate for those wells located on the edge of the reservoir is approximately 12%. That a total of 80 wells have been drilled to the Deese Sand in the unit area with the first well being drilled in June of 1951 and the last well in 1953. That in 1971 there were 47 producing wells with each well averaging 3 barrels of oil per day per well. That the primary phase of production from the Deese Sand in the unit area is about depleted at this time and that approximately 90% of the ultimate recovery from primary methods have been recovered at this date, that one reason the engineering committee suggested the unitization and secondary recovery of this field at this time is that there are still 47 active wells in the field and if the unitization is delayed many of these wells will be plugged in the near future. That at this time there are approximately 300,000 barrels of oil in the reservoir which are remaining primary reserves. That the plan of unitization has two phases. The first phase is based on 75% current production and 25% remaining primary reserves while Phase II will consist of 50% floodable acre feet and 50% accumulative recovery, that the factors which make up the tract participation on both Phase I and Phase II are equitable. That the factors which went into the determination of the floodable sand volume which will be flooded which measures the quality of the tract while the 50% accumulative oil recovery is a measure of the quality of the sand.

5. It is the further testimony of the applicant that the plan of unitization does contain fair, reasonable and equitable provisions for: the efficient unitized management or control of the further development and operation of the unit area for the recovery of oil and gas from the Deese Sand formation; that the unit operator has been designated by the vote of the lessees in an orderly manner provided for in the plan of unitization - Gulf Oil Corporation; that the manner in which the unit and further development and operation of the unit area shall be financed and the basis, terms and conditions on which the costs and expense thereof shall be apportioned among and assessed against the tracts and interests made chargeable therewith. That a reasonable provision is made in the plan of unitization for caring, or otherwise financing, lessees who are unable to promptly meet their financial obligation in connection with the unit. The plan of unitization also contains a procedure and basis upon which wells, equipment, and other property of the several lessees within the unit area, are to be taken over and used for the unit operation, including the method of arriving at the compensation thereof or otherwise proportionately equalizing or adjusting the investment of the several lessees in the project, as of the effective date of unit operation. The plan of unitization also provides for the creation of an operative committee, which has general over all management and control of the unit and the conduct of its business and affairs. The plan of unitization also carries the time at which it shall become effective and the time when, and method by which, the unit shall or may be dissolved and its affairs wound up. The plan of unitization also provides for a division of interests and a formula for the apportionment and allocation of the unit production among and to the separately