

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO



IN THE MATTER OF THE APPLICATION OF)
SOUTHERN UNION GAS COMPANY FOR AN OR-)
DER GRANTING APPROVAL OF AN EXCEPTION)
TO RULE 6 (A) OF THE SPECIAL RULES AND)
REGULATIONS FOR THE AZTEC-PICTURED)
CLIFFS GAS POOL IN ESTABLISHMENT OF)
A NON-STANDARD DRILLING AND GAS PRORA-)
TION UNIT OF 193.75 CONTIGUOUS ACRES)
CONSISTING OF THE E $\frac{1}{2}$ OF THE E $\frac{1}{2}$ OF)
FRACTIONAL SECTION 9 AND THE W $\frac{1}{2}$ OF)
FRACTIONAL SECTION 10, TOWNSHIP 28)
NORTH, RANGE 10 WEST, N. M. P. M., SAN)
JUAN COUNTY, NEW MEXICO.)

CASE NO. 952

APPLICATION

Southern Union Gas Company (herein referred to as "Applicant"), a Delaware corporation with its principal place of business in the Burt Building, Dallas 1, Texas, hereby makes application to the Commission for an order granting approval of an exception to Rule 6 (A) of the Special Rules and Regulations for the Aztec-Pictured Cliffs Gas Pool, promulgated by the Commission in its Order No. R-565, as amended, in establishment of the non-standard drilling and gas proration unit described hereinbelow; and in support of such application, Applicant respectfully states and shows the following:

- (1) The non-standard drilling and proration unit for which approval is sought herein consists of 193.75 contiguous surface acres substantially in the form of a rectangle, and consists of the E $\frac{1}{2}$ of the E $\frac{1}{2}$ of fractional Section 9 and the W $\frac{1}{2}$ of fractional Section 10, Township 28 North Range 10 West, N.M.P.M., San Juan County, New Mexico.
- (2) The non-standard size of the tract is due to a variation in legal subdivision of the U. S. Public Lands Surveys.
- (3) The recently completed well for which it is requested that the above described acreage be the drilling and gas proration unit is the Southern Union-Zachry #11, which well is located 990 feet north of the south line and 990 feet east of the west line of the aforesaid Section 10.
- (4) In the opinion of Applicant, the entire non-standard drilling and gas proration unit referred to herein may reasonably be presumed to be productive of gas from the Pictured Cliffs Formation.
- (5) In the opinion of Applicant, the drilling of more than one well on the land allocated to the proposed unit is not economically justified, and the well presently located thereon is capable of efficiently and economically draining the entire area of said unit.
- (6) So far as is known to Applicant, the only operator other than Applicant owning an oil and gas leasehold interest in any of the acreage offsetting the proposed unit is Aztec Oil and Gas Company, 920 Mercantile Securities Building, Dallas 1, Texas. Attached hereto is a copy of the letter of notification mailed today by Applicant under registered cover to Aztec Oil and Gas Company.

Case No. 952 Cont'd.

WHEREFORE, premises considered, Applicant prays that the Commission, after such hearing and upon such notice as the Commission may direct, issue its order granting approval of the non-standard drilling and gas proration unit herein proposed.

Respectfully submitted,

SOUTHERN UNION GAS COMPANY
/s/ J. C. Reid
Executive Vice President

NOTE: The above mentioned letter is on file with the OCC in Santa Fe, N.M.

New Mexico Oil & Gas Engr. Committee
P. O. Box 127
August 25, 1955
Hobbs, New Mexico

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 952
Order No. R-701

IN THE MATTER OF THE APPLICATION
OF SOUTHERN UNION GAS COMPANY
FOR AN ORDER GRANTING APPROVAL
OF AN EXCEPTION TO RULE 6 (a) OF
THE SPECIAL RULES AND REGULATIONS
OF ORDER R-565 FOR THE AZTEC-PICTURED
CLIFFS GAS POOL IN ESTABLISHMENT OF A
NON-STANDARD DRILLING AND GAS PRORATION
UNIT OF 193.75 CONTIGUOUS ACRES CONSISTING
OF THE E/2 E/2 OF FRACTIONAL SECTION 9
AND THE W/2 OF FRACTIONAL SECTION 10,
TOWNSHIP 28 NORTH, RANGE 10 WEST, NMPM,
SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a. m. on September 15, 1955, at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this 13th., day of October, 1955, the Commission, a quorum being present, having considered the record and the testimony adduced and being fully advised in the premises,

FINDS:

(1) That due notice of the time and place of hearing and the purpose thereof having been given as required by law, the Commission has jurisdiction of this case and the subject matter thereof.

(2) That pursuant to the provisions of Rule 6 (a) of the Special Rules and Regulations for the Aztec-Pictured Cliffs Gas Pool of Order No. R-565, the Commission has power and authority to permit the formation of a gas proration unit consisting of other than a legal quarter section after notice and hearing by the Commission.

(a) That applicant is the owner of an oil and gas lease in San Juan County, New Mexico, said lease being described as follows:

TOWNSHIP 28 NORTH, RANGE 10 WEST, NMPM
E/2 E/2 of Partial Section 9
W/2 of Partial Section 10

containing 193.75 acres more or less.

(b) That the above described acreage is within one mile of the horizontal limits of the Aztec-Pictured Cliffs Gas Pool.

(4) That the entire non-standard drilling and gas proration unit may reasonably be presumed to be productive of gas from the Pictured Cliffs formation.

(5) That the applicant, Southern Union Gas Company, has completed a gas well capable of producing gas from the Pictured Cliffs formation on the above designated lease known as its Zachry No. 11, located 990 feet from the South line and 990 feet from the West line of Section 10, Township 28 North, Range 10 West, NMPM, San Juan County, New Mexico.

(6) That the formation of the aforementioned drilling and proration unit in said fractional sections would be in the interests of conservation and orderly development and would protect correlative rights.

IT IS THEREFORE ORDERED:

1. That a drilling and proration unit in the Aztec-Pictured Cliffs Gas Pool, described as follows:

TOWNSHIP 28 NORTH, RANGE 10 WEST, NMPM
Section 9: E/2 E/2 of Partial Section
Section 10: W/2 of Partial Section

be and the same hereby is created.

2. That applicant's well, Zachry No. 11, located in the SW/4 of Section 10, Township 28 North, Range 10 West, NMPM, San Juan County, New Mexico, shall be granted an allowable in the proportion that the above described 193.75 acre unit bears to the standard or orthodox proration unit for said pool, all until further order of the Commission.

DONE at Santa Fe, New Mexico on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JOHN F. SIMMS, Chairman
E. S. WALKER, Member
W. B. MACEY, Member and Secretary