

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
SOUTHERN UNION GAS COMPANY FOR AN
ORDER GRANTING APPROVAL OF AN EX-
CEPTION TO RULE 1(A) OF THE SPECIAL
RULES AND REGULATIONS FOR THE BLANCO-
MESAVERDE GAS POOL IN ESTABLISHMENT
OF A NON-STANDARD GAS PRORATION UNIT
OF 335.75 CONTIGUOUS ACRES CONSISTING
OF SECTION 7, TOWNSHIP 32 NORTH,
RANGE 10 WEST, N.M.P.M., SAN JUAN
COUNTY, NEW MEXICO.

CASE NO. _____

Comes now, 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, and files this its application for an exception to Rule 1(a) of the special rules and regulations for the Blanco-Mesaverde Gas Pool, promulgated by the Commission in its Order No. R-128-C, in establishment of the non-standard gas proration unit described hereinbelow, and in support thereof Applicant respectfully states and shows the following:

(1) The non-standard gas proration unit for which approval is sought herein contains 335.75 contiguous surface acres substantially in the form of a rectangle and consists of all of partial Section 7, Township 32 North, Range 10 West, N.M.P.M., San Juan County, New Mexico.

(2) Said proposed unit consists of contiguous quarter-quarter sections and lots, and lies wholly within said Section 7.

(3) In the opinion of Applicant, the entire non-standard gas proration unit proposed herein may reasonably be presumed to be productive of gas from the Mesaverde Formation.

(4) The well for which it is requested that the above-described acreage be the gas proration unit is the Southern Union-Page #2, which well is located in Lot 5 of the aforesaid Section 7.

Order
O & G

1. The first part of the document is a header section containing the following information:

- Page Number: 1
- Date: 10/10/2010
- Time: 10:10:10
- Author: [Name]
- Version: 1.0

2. The second part of the document is a table with the following columns:

Item	Description	Quantity	Unit	Price	Total
1	Item 1	10	kg	100	1000
2	Item 2	5	kg	200	1000
3	Item 3	10	kg	100	1000
4	Item 4	5	kg	200	1000
5	Item 5	10	kg	100	1000
6	Item 6	5	kg	200	1000
7	Item 7	10	kg	100	1000
8	Item 8	5	kg	200	1000
9	Item 9	10	kg	100	1000
10	Item 10	5	kg	200	1000

3. The third part of the document is a text block containing the following information:

The total amount of the order is 10000.00. The order is valid for 30 days. The order is subject to the terms and conditions of the contract.

4. The fourth part of the document is a signature block containing the following information:

Signature: [Signature]

5. The fifth part of the document is a footer section containing the following information:

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(5) In the opinion of Applicant it is not economically feasible to drill more than one well on the lands allocated to the proposed unit, 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, Aztec Oil & Gas Company, El Paso Natural Gas Company, Phillips Drilling Corporation and Pubco Development, Inc., constitute all the operators other than Applicant owning an interest in any of the acreage offsetting the proposed unit. Attached hereto are true and complete copies of letters mailed today under registered cover to each of said other operators.

WHEREFORE, premises considered, Applicant prays that the Commission issue an order to Applicant granting approval of the non-standard gas proration unit herein proposed.

Respectfully submitted,

SOUTHERN UNION GAS COMPANY

By /s/ J. C. Reid
Vice President

THE STATE OF TEXAS)
)
COUNTY OF DALLAS)

J. C. Reid, being first duly sworn, hereby states that he is Vice President of Southern Union Gas Company, the applicant in the foregoing application; that as such officer he has executed said application on behalf of Southern Union Gas Company; that he has read said application and, to the best of his knowledge, information and belief, all statements of fact therein contained are true and correct.

/s/ J. C. Reid
J. C. Reid

SWORN TO AND SUBSCRIBED before me, the undersigned authority, this
9th day of February, 1955.

/s/ Faye Griffin
Notary Public in and for
Dallas County, Texas

(SEAL)

The above information was obtained from a review of the records of the Department of the Interior, Bureau of Land Management, and the Bureau of Reclamation, and is being furnished to you for your information.

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Very truly yours,
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[Name]
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