

Casa No.

887

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Application, Transcript,  
Small Exhibits, Etc.

BEFORE THE  
**Oil Conservation Commission**  
SANTA FE, NEW MEXICO  
April 20, 1954

IN THE MATTER OF:

CASE NO. \_\_\_\_\_

TRANSCRIPT OF PROCEEDINGS

**ADA DEARNLEY AND ASSOCIATES**  
COURT REPORTERS  
ROOMS 105, 106, 107 EL CORTEZ BUILDING  
TELEPHONE 7-9546  
ALBUQUERQUE, NEW MEXICO

OFFICE OF THE  
OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
April 20, 1955

IN THE MATTER OF:

The application of Southern Union Gas  
Company for approval of an unorthodox gas  
proration unit.

Applicant, in the above-styled cause, seeks  
approval of a 270.11-acre non-standard gas  
proration unit in exception to Rule 6(A) of  
the Special Rules and Regulations for the  
Aztec-Pictured Cliffs Gas Pool, as set  
forth in Order R-565, said unit to consist  
of all of fractional Section 12, Township  
20 North, Range 10 West, San Juan County,  
New Mexico, and to be dedicated to appli-  
cant's Zachry Well No. 1, located 990 feet  
from the south line and 1650 feet from the  
west line of said Section 12.

Case No. 887

BEFORE: Mr. E. S. (Johnny) Walker  
Mr. William B. Macey

TRANSCRIPT OF HEARING

MR. MACSEY: The next case on the docket is Case 887.

MR. GREINER: It now appears that a continuance is appropri-  
ate and we are going to ask that the case be postponed to the next  
monthly meeting of the Commission. We understand that the  
Commission may wish to take some action in its own behalf in the  
matter and it would hardly be appropriate in our opinion, to pro-  
ceed with what we have now, in the light of the anticipated action  
on the part of the Commission. We request that the case be passed  
at this time.


ADA DEARNLEY & ASSOCIATES  
STENOGRAPHIC REPORTERS  
ALBUQUERQUE, NEW MEXICO  
TELEPHONE 3-6691

Mr. RICH: Is there objection to the continuance of the case until the regular hearing in May? If not the case will be continued until that time.

STATE OF NEW MEXICO )  
                              : ss.  
COUNTY OF BERNALILLO )

I, ADA DEARNLEY, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission at Santa Fe, New Mexico, is a true and correct record to the best of my knowledge, skill and ability.

IN WITNESS WHEREOF I have affixed my hand and notarial seal this 29th day of April, 1955.

  
Notary Public, Court Reporter

My Commission Expires:  
June 19, 1955

BEFORE THE

**Oil Conservation Commission**

SANTA FE, NEW MEXICO

May 20, 1955

IN THE MATTER OF:

CASE NO. 887

TRANSCRIPT OF PROCEEDINGS

**ADA DEARNLEY AND ASSOCIATES**

COURT REPORTERS

ROOMS 105, 106, 107 EL CORTEZ BUILDING

TELEPHONE 7-9546

ALBUQUERQUE, NEW MEXICO

BEFORE THE  
OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
May 20, 1955

IN THE MATTER OF:

Application of Southern Union Gas Company for  
approval of a 270.11-acre non-standard gas pro-  
duction unit in the Aztec-Pictured Cliffs Gas  
Pool consisting of all of (fractional) Section  
12, Township 28 North, Range 10 West, San Juan  
County, New Mexico, said unit to be dedicated  
to applicant's Zachry No. 1 Well, located 990'  
FSL and 1650' FWL of said Section 12.

Case 887  
) Cont'd.)

BEFORE:

Mr. E. S. (Johnny) Walker  
Mr. William B. Macey

TRANSCRIPT OF HEARING

MR. MACEY: The next case on the docket is Case 887.

Applicant, Southern Union Gas Company in Case 887, has asked the  
Commission to dismiss Case 887 -- pending action of the Commission  
in Case 904, which pertains to the same acreage.

Is there objection to the dismissal of Case 887? If not the  
case will be dismissed, and the hearing is adjourned.

STATE OF NEW MEXICO )  
: SS.  
COUNTY OF BERNALILLO )

I, ADA DEARNLEY, Court Reporter, do hereby certify that the fore-  
going and attached transcript of proceedings before the New Mexico  
Oil Conservation Commission at Santa Fe, New Mexico is a true and  
correct record to the best of my knowledge, skill and ability.

IN WITNESS WHEREOF I have affixed my hand and notarial seal this  
24th day of May, 1955.

My Commission Expires:  
June 19, 1955

*Ada Dearnley*  
Notary Public, Court Reporter

ADA DEARNLEY & ASSOCIATES  
STENOTYPE REPORTERS  
ALBUQUERQUE, NEW MEXICO  
TELEPHONE 3-6691

Case 887

LEGAL DEPARTMENT  
WILLIS L. LEA, JR.  
GENERAL ATTORNEY

SOUTHERN UNION GAS COMPANY  
BURT BUILDING  
DALLAS 1, TEXAS

A. S. GRENIER  
MILLARD F. CARR  
EDWARD G. TAYLOR  
JACK HERTZ

March 28, 1955

New Mexico Oil Conservation Commission  
Santa Fe, New Mexico

Gentlemen:

Enclosed herewith in triplicate is the application of Southern Union Gas Company for approval of an unorthodox gas proration unit in San Juan County, New Mexico.

The unit requested contains 270.11 acres and consists of all of fractional Section 12, Township 28 North, Range 10 West.

Attached to the application are copies of letters of notification which have been sent out by registered mail today to offset operators. If at all possible, we would very much like to have this matter set down for hearing on the Commission's regular April monthly hearing date.

Very truly yours,

*A. S. Grenier*

ASG:FG  
Encl.

cc: Mr. A. M. Wiederkehr

LEGAL DEPARTMENT

WILLIS L. LEA, JR.  
GENERAL ATTORNEY

SOUTHERN UNION GAS COMPANY

BURT BUILDING  
DALLAS 1, TEXAS

April 25, 1955

A. S. GRENIER  
MILLARD F. CARR  
EDWARD G. TAYLOR  
JACK HERTZ

New Mexico Oil Conservation Commission  
Santa Fe, New Mexico

Re: Case No. 887

Gentlemen:

Enclosed herewith in triplicate is the amended application of Southern Union Gas Company for approval of an unorthodox drilling and gas proration unit in the Aztec-Pictured Cliffs gas pool, San Juan County, New Mexico.

The unit requested in the amended application contains 202.82 contiguous acres and comprises the  $W\frac{1}{2}$  and  $W\frac{1}{2}E\frac{1}{2}$  of fractional Section 12, Township 28 North, Range 10 West.

Attached to the amended application are copies of letters of notification which are being sent out today by registered mail to offset operators.

Very truly yours,

*A. S. Greiner*

ASG:ek

encls.



May 9, 1955

NON-STANDARD GAS UNIT  
Astec-Pictured Cliffs Gas Pool  
San Juan County, New Mexico

Southern Union Gas Company  
Burt Building  
Dallas 1, Texas

Attention: Mr. J. C. Reid, Vice-President

Gentlemen:

The Texas Company, as an offset leaseholder, has been informed of your amended application in Case #887 to the New Mexico Oil Conservation Commission for an order granting exception to Rule 6(A) of Order R-565 for the Astec-Pictured Cliffs Gas Pool of San Juan County, New Mexico. The requested exception is for Southern Union's Zachry No. 1 in fractional section 12, T-28N, R-10W, San Juan County, New Mexico.

The Texas Company has no objection to the formation of the requested 202.82 acre non-standard gas unit as requested in the amended Case No. 887. This is for the subject well above and acreage consists of the W/2 and W/2 E/2 of fractional section 12, T-28N, R-10W, Astec-Pictured Cliffs Gas Pool, San Juan County, New Mexico.

Yours very truly,

L. F. Shiplet  
Assistant Division Manager

WDM-MFT

cc-NMOCC ✓  
Santa Fe P.O. Box 871

b/c-SRL

AZTEC OIL & GAS COMPANY

920. MERCANTILE SECURITIES BUILDING  
DALLAS 1, TEXAS

May 10, 1955

Southern Union Gas Company  
1104 Burt Building  
Dallas 1, Texas

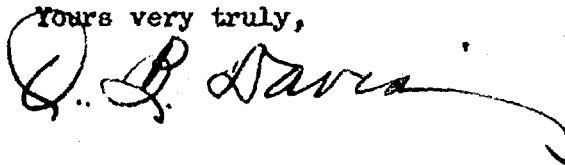
Attention: Mr. A. S. Grenier

Gentlemen:

Reference is made to your letter of April 25, 1955 advising us of your filing with the New Mexico Oil Conservation Commission an amended application, in Case No. 887 for an order of the Commission granting approval of an exception to Rule 6A of the Rules and Regulations for the Aztec-Pictured Cliffs Gas Pool, to permit the formation of a non-standard drilling and gas proration unit of 202.82 contiguous acres, consisting of the  $W\frac{1}{2}$  and the  $W\frac{1}{2}$  of fractional Section 12, Township 28 North, Range 10 West, N.M.P.M., San Juan County, New Mexico.

We have reviewed your amended application and Aztec Oil & Gas Company concurs in the establishment of the smaller unit proposed therein.

Yours very truly,



QED:NL

cc - Mr. W. B. Macey ✓

April 1, 1955

NON-STANDARD GAS UNIT  
Aztec-Pictured Cliffs Gas Pool  
San Juan County, New Mexico

Southern Union Gas Company  
Burt Building  
Dallas 1, Texas

Attention: Mr. J. C. Reid, Vice-President

Gentlemen:

The Texas Company, as an offset leaseholder, has been informed of your application to the New Mexico Oil Conservation Commission for an order granting exception to Rule 6(A) of Order R-565 for the Aztec-Pictured Cliffs Pool of San Juan County, New Mexico. The requested exception is for Southern Union's Zachry No. 1 in fractional Section 12, T-28-N, R-10-W, San Juan County, New Mexico. It was also noted that this well was just outside the horizontal limits of the subject field, as set out in Order R-565.

Our interpretation of Rule 6 (B) of Order R-565 is that the Commission is without authority to issue an administrative order where the requested unit is greater than 158 acres. A unit is requested of the entire fractional Section 12 of 270.11 acres.

The Texas Company has no objection to the formation of the requested 270.11-acre unit, but feels the Commission is without authority to approve the unit administratively under Rule 6(B) of Order R-565, and this request will require a public hearing for approval of the unit.

Yours very truly,

THE TEXAS COMPANY

/s/ L. F. SHIPLET  
Asst. Division Manager

MFT  
cc-NMOCC  
Santa Fe, N.M.

11-887

VAN THOMPSON  
EXECUTIVE VICE PRESIDENT

AZTEC OIL & GAS COMPANY  
920 MERCANTILE SECURITIES BUILDING  
DALLAS 1, TEXAS

March 29, 1955

Oil Conservation Commission  
of the State of New Mexico  
Santa Fe, New Mexico

Attention: Mr. W. B. Macey

Gentlemen:

Reference is made to the application of Southern Union Gas Company filed with the Commission or or about March 28, 1955, for an order of the Commission 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, in establishment of a non-standard gas proration unit of 270.11 contiguous acres consisting of all of fractional Section 12, Township 28 North, Range 10 West, N.M.P.M., San Juan County, New Mexico, on which the Southern Union-Zachry No. 1 gas well is located. As stated in paragraph 6 of Southern Union's application, Aztec Oil & Gas Company is the owner of the leasehold interest in Lot 1 of Section 12, containing 27.29 acres, more or less.

Aztec Oil & Gas Company concurs in the application of Southern Union Gas Company and is willing to enter into arrangements with said company to provide for the communitization of the oil and gas leases embracing Section 12.

Yours very truly,

AZTEC OIL & GAS COMPANY

By Van Thompson  
Vice President

VT:D:nl  
cc - Southern Union Gas Company

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 PRORATION )  
UNIT OF 202.82 CONEIGUOUS ACRES CON- )  
SISTING OF THE  $W\frac{1}{2}$  AND  $W\frac{1}{2}E\frac{1}{2}$  OF FRAC- )  
TIONAL SECTION 12, TOWNSHIP 28 NORTH, )  
RANGE 10 WEST, N.M.P.M., SAN JUAN COUNTY, )  
NEW MEXICO. )

CASE NO. 887

AMENDED APPLICATION

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 in lieu of its original application heretofore filed in this case files this its amended application for an order of the Commission 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, in establishment of the non-standard drilling and gas proration unit described hereinbelow; and in support of such amended application Applicant respectfully states and shows the following:

(1) The non-standard drilling and gas proration unit for which approval is sought herein consists of 202.82 contiguous surface acres substantially in the form of a rectangle, and consists of the  $W\frac{1}{2}$  and  $W\frac{1}{2}E\frac{1}{2}$  of fractional Section 12, 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 Land Surveys.

(3) The well for which it is requested that the abovedescribed acreage be the drilling and gas proration unit is the Southern Union-Zachry #1, which well is located 990 feet north of the south line and 1650 feet east of the west line of the aforesaid Section 12. Said well was completed on March 11, 1955. When

the well was tested on March 18, 1955, it was found to have an IP of 7050 MCF per day and a 666 pound shut-in pressure.

(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 operators other than Applicant owning an interest in any of the acreage offsetting the proposed unit are as follows:

Aztec Oil & Gas Company  
920 Mercantile Securities Bldg.  
Dallas 1, Texas

The Texas Company  
Fort Worth, Texas

Pubco Development, Inc.  
P. O. Box 1360  
Albuquerque, New Mexico

Harold Kogan  
345 - 15th Avenue  
San Francisco, California

Attached hereto are true and complete copies of letters mailed today under registered cover to each of the aforesaid operators.

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

By 


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 amended 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.

  
J. C. Reid

SWORN TO AND SUBSCRIBED before me, the undersigned authority, this 25<sup>th</sup> day of April, 1955.

  
Notary Public in and for  
Dallas County, Texas

My Commission Expires:

June 1, 1955

ETHEL I. KERR  
Notary Public Dallas County, Texas  
My Commission expires June 1, 1955

COPY

SOUTHERN UNION GAS COMPANY

Burt Building  
DALLAS 1, TEXAS

April 25, 1955

Pubco Development, Inc.  
P. O. Box 1360  
Albuquerque, New Mexico

Gentlemen:

This is to advise you that Southern Union Gas Company is mailing today for filing with the New Mexico Oil Conservation Commission in Case No. 887 its amended application for an order of the Commission 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, in establishment of a non-standard drilling and gas production unit of 202.82 contiguous acres consisting of the  $W\frac{1}{2}$  and the  $W\frac{1}{2}E\frac{1}{2}$  of fractional Section 12, Township 28 North, Range 10 West, San Juan County, New Mexico. We give you this advice since, according to our records, you own an interest in certain acreage offsetting the unit proposed.

This is the same matter concerning which we wrote you on March 28, 1955, at which time we were proposing a 270.11 acre unit consisting of all of Section 12.

If you have no objection to establishment of the above described nonstandard unit, we will appreciate your promptly so advising us by return mail. A copy of our amended application is enclosed for your information.

Very truly yours,

SOUTHERN UNION GAS COMPANY

By /s/ J. C. Reid  
Vice President

JCR:G:EK  
encl.

REGISTERED



COPY

SOUTHERN UNION GAS COMPANY

Burt Building  
DALLAS 1, TEXAS

April 25, 1955

Mr. Harold Kogan  
345 15th Avenue  
San Francisco, California

Dear Mr. Kogan:

This is to advise you that Southern Union Gas Company is mailing today for filing with the New Mexico Oil Conservation Commission in Case No. 887 its amended application for an order of the Commission 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, in establishment of a nonstandard drilling and gas production unit of 202.82 contiguous acres consisting of the  $W\frac{1}{2}$  and the  $W\frac{1}{2}E\frac{1}{2}$  of fractional Section 12, Township 28 North, Range 10 West, San Juan County, New Mexico. We give you this advice since, according to our records, you own an interest in certain acreage offsetting the unit proposed.

This is the same matter concerning which we wrote you on March 28, 1955, at which time we were proposing a 270.11 acre unit consisting of all of Section 12.

Although you have already written us stating that you had no objection to the unorthodox unit as originally proposed, we will also appreciate a letter from you indicating your concurrence in establishment of the smaller unit proposed by our amended application. A copy of our amended application is enclosed for your information.

Very truly yours,

SOUTHERN UNION GAS COMPANY

By /s/ J. C. Reid  
Vice President

JCR:Giek  
encl.

REGISTERED

COPY

SOUTHERN UNION GAS COMPANY

Burt Building

DALLAS 1, TEXAS

April 25, 1955

REGISTERED

Aztec Oil & Gas Company  
920 Mercantile Securities Bldg.  
Dallas 1, Texas

Gentlemen:

This is to advise you that Southern Union Gas Company is mailing today for filing with the New Mexico Oil Conservation Commission in Case No. 887 its amended application for an order of the Commission 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, in establishment of a nonstandard drilling and gas production unit of 202.82 contiguous acres consisting of the  $W\frac{1}{2}$  and the  $W\frac{1}{2}E\frac{1}{2}$  of fractional Section 12, Township 28 North, Range 10 West, San Juan County, New Mexico. We give you this advice since, according to our records, you own an interest in certain acreage offsetting the unit proposed.

This is the same matter concerning which we wrote you on March 28, 1955, at which time we were proposing a 270.11 acre unit consisting of all of Section 12.

Although you have already written us stating that you had no objection to the unorthodox unit as originally proposed, we will also appreciate a letter from you indicating your concurrence in establishment of the smaller unit proposed by our amended application. A copy of our amended application is enclosed for your information.

Very truly yours,

SOUTHERN UNION GAS COMPANY

By /s/ J. C. Reid  
Vice President

JCR:Giek  
encl.

COPY

SOUTHERN UNION GAS COMPANY

Burt Building  
DALLAS 1, TEXAS  
April 25, 1955

The Texas Company  
P. O. Box 1720  
Fort Worth 1, Texas

Gentlemen:

This is to advise you that Southern Union Gas Company is mailing today for filing with the New Mexico Oil Conservation Commission in Case No. 887 its amended application for an order of the Commission 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, in establishment of a nonstandard drilling and gas production unit of 202.82 contiguous acres consisting of the  $W\frac{1}{2}$  and the  $W\frac{1}{2}E\frac{1}{2}$  of fractional Section 12, Township 28 North, Range 10 West, San Juan County, New Mexico. We give you this advice since, according to our records, you own an interest in certain acreage offsetting the unit proposed.

This is the same matter concerning which we wrote you on March 28, 1955, at which time we were proposing a 270.11 acre unit consisting of all of Section 12.

Although you have already written us stating that you had no objection to the unorthodox unit as originally proposed, we will also appreciate a letter from you indicating your concurrence in establishment of the smaller unit proposed by our amended application. A copy of our amended application is enclosed for your information.

Very truly yours,

SOUTHERN UNION GAS COMPANY

By /s/ J. C. Reid  
Vice President

JCR:G:ek  
encl.

REGISTERED

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 GAS PRORATION UNIT OF )  
270.11 CONTIGUOUS ACRES CONSISTING OF )  
ALL OF FRACTIONAL SECTION 12, TOWNSHIP )  
28 NORTH, RANGE 10 WEST, N.M.P.M., SAN )  
JUAN COUNTY, NEW MEXICO. )

CASE NO. 887

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 order of the Commission 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, 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 consists of 270.11 contiguous surface acres substantially in the form of a rectangle, and consists of all of fractional Section 12, 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 Land Surveys.

(3) The well for which it is requested that the abovescribed acreage be the gas proration unit is the Southern Union-Zachry #1, which well is located 990 feet north of the south line and 1650 feet east of the west line of the aforesaid Section 12. Said well was completed on March 11, 1955. When the well was tested on March 18, 1955, it was found to have an IP of 7050 MCF per day and a 666 pound shut-in pressure.

(4) In the opinion of Applicant, the entire non-standard 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) Aztec Oil & Gas Company (herein referred to as "Aztec") is the owner of the leasehold interest in Lot 1 of the aforesaid Section 12, containing 27.29 acres. The working interest in the remainder of the proposed unit, an aggregate of 242.82 acres is owned by Applicant. Upon contribution by Aztec to Southern Union of a sum equal to  $27.29/270.11$ ths of the cost of the existing well, Applicant is prepared to enter into communitization and operating agreements in standard form, constituting the aforesaid Section 12 as a communitized unit and designating Applicant as operator thereof.

(7) So far as is known to Applicant, the only operators other than Applicant and Aztec owning an interest in any of the acreage offsetting the proposed unit are as follows:

Edwin T. Sunter  
2210 - 10th Street  
Berkeley, California

The Texas Company  
Fort Worth, Texas

Pubco Development, Inc.  
P. O. Box 1360  
Albuquerque, New Mexico

Harold Kogan  
345 - 15th Avenue  
San Francisco, California

Attached hereto are true and complete copies of letters mailed today under registered cover to each of the aforesaid operators and to Aztec.

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 gas proration unit herein proposed.

Respectfully submitted,

SOUTHERN UNION GAS COMPANY

By 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.

J. C. Reid  
J. C. Reid

SWORN TO AND SUBSCRIBED before me, the undersigned authority, this 28th day of March, 1955.

Jaye Griffin  
Notary Public in and for  
Dallas County, Texas

My Commission Expires:

June 1, 1955

COPY

SOUTHERN UNION GAS COMPANY

Burt Building  
DALLAS 1, TEXAS

March 28, 1955

The Texas Company  
Fort Worth, Texas

Gentlemen:

This is to advise that Southern Union Gas Company is this day mailing for filing with the New Mexico Oil Conservation Commission an application for an order of the Commission 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, in establishment of a non-standard gas proration unit of 270.11 contiguous acres consisting of all of fractional Section 12, Township 28 North, Range 10 West, N.M.P.M., San Juan County, New Mexico. The location of the well recently completed on the proposed unit, the Southern Union-Zachry #1, is 990 feet north of the south line and 1650 feet east of the west line of said fractional Section 12. We give you this advice since, according to our records, you own an interest in certain acreage offsetting the unit proposed.

If you have no objection to establishment of the abovedescribed non-standard unit, we will appreciate your promptly so advising us by return mail. If, on the other hand, you wish to object to such unit, you should give written notice to that effect to the Commission, with a copy also sent to us, within 20 days after the date of this letter.

Very truly yours,

SOUTHERN UNION GAS COMPANY

By J. G. Davis  
Vice President

JCR:G

Via Registered Mail

COPY

SOUTHERN UNION GAS COMPANY

Burt Building  
DALLAS 1, TEXAS

March 28, 1955

Mr. Edwin T. Sunter  
2210 - 10th Street  
Berkeley, California

Dear Mr. Sunter:

This is to advise that Southern Union Gas Company is this day mailing for filing with the New Mexico Oil Conservation Commission an application for an order of the Commission 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, in establishment of a non-standard gas proration unit of 270.11 contiguous acres consisting of all of fractional Section 12, Township 28 North, Range 10 West, N.M.P.M., San Juan County, New Mexico. The location of the well recently completed on the proposed unit, the Southern Union-Zachry #1, is 990 feet north of the south line and 1650 feet east of the west line of said fractional Section 12. We give you this advice since, according to our records, you own an interest in certain acreage offsetting the unit proposed.

If you have no objection to establishment of the abovedescribed non-standard unit, we will appreciate your promptly so advising us by return mail. If, on the other hand, you wish to object to such unit, you should give written notice to that effect to the Commission, with a copy also sent to us, within 20 days after the date of this letter.

Very truly yours,

SOUTHERN UNION GAS COMPANY

By J. C. Reid  
Vice President

JCR:G

Via Registered Mail



COPY

SOUTHERN UNION GAS COMPANY

Burt Building  
DALLAS 1, TEXAS

March 28, 1955

Pubco Development, Inc.  
P. O. Box 1360  
Albuquerque, New Mexico

Gentlemen:

This is to advise that Southern Union Gas Company is this day mailing for filing with the New Mexico Oil Conservation Commission an application for an order of the Commission 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, in establishment of a non-standard gas production unit of 270.11 contiguous acres consisting of all of fractional Section 12, Township 28 North, Range 10 West, N.M.P.M., San Juan County, New Mexico. The location of the well recently completed on the proposed unit, the Southern Union-Zachry #1, is 990 feet north of the south line and 1650 feet east of the west line of said fractional Section 12. We give you this advice since, according to our records, you own an interest in certain acreage offsetting the unit proposed.

If you have no objection to establishment of the abovedescribed non-standard unit, we will appreciate your promptly so advising us by return mail. If, on the other hand, you wish to object to such unit, you should give written notice to that effect to the Commission, with a copy also sent to us, within 20 days after the date of this letter.

Very truly yours,

SOUTHERN UNION GAS COMPANY

By J. C. Reid  
Vice President

JCR:G

Via Registered Mail

COPY

SOUTHERN UNION GAS COMPANY

Burt Building  
DALLAS 1, TEXAS

March 28, 1955

Harold Kogan  
345 - 15th Avenue  
San Francisco, California

Dear Mr. Kogan:

This is to advise that Southern Union Gas Company is this day mailing for filing with the New Mexico Oil Conservation Commission an application for an order of the Commission 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, in establishment of a non-standard gas proration unit of 270.11 contiguous acres consisting of all of fractional Section 12, Township 28 North, Range 10 West, N.M.P.M., San Juan County, New Mexico. The location of the well recently completed on the proposed unit, the Southern Union-Zachry #1, is 990 feet north of the south line and 1650 feet east of the west line of said fractional Section 12. We give you this advice since, according to our records, you own an interest in certain acreage offsetting the unit proposed.

If you have no objection to establishment of the abovescribed non-standard unit, we will appreciate your promptly so advising us by return mail. If, on the other hand, you wish to object to such unit, you should give written notice to that effect to the Commission, with a copy also sent to us, within 20 days after the date of this letter.

Very truly yours,

SOUTHERN UNION GAS COMPANY

By J. C. Reid  
Vice President

JCR:G

Via Registered Mail

COPY

SOUTHERN UNION GAS COMPANY

Burt Building

DALLAS 1, TEXAS

March 28, 1955

Aztec Oil & Gas Company  
920 Mercantile Securities Building  
Dallas 1, Texas

Gentlemen:

Enclosed herewith is a copy of the application being mailed today by Southern Union Gas Company for filing with the New Mexico Oil Conservation Commission, requesting an order of the Commission granting approval of establishment of a non-standard gas proration unit of 270.11 contiguous acres consisting of all of fractional Section 12, Township 28 North, Range 10 West, N.M.P.M., San Juan County, New Mexico.

At your earliest convenience, we will much appreciate your advising the Commission in writing of your concurrence in the proposals set forth in the enclosed application, and of your willingness to enter into the arrangements contemplated by paragraph (6).

Very truly yours,

SOUTHERN UNION GAS COMPANY

By J. C. Reid  
Vice President

JCR:G

Encl.

Via Registered Mail

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

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

CASE NO. 887  
Order No. R-703

THE APPLICATION OF SOUTHERN  
UNION GAS COMPANY FOR APPROVAL  
OF A 270.11-ACRE NON-STANDARD  
GAS PRORATION UNIT IN THE AZTEC-  
PICTURED CLIFFS GAS POOL, COVER-  
ING ALL OF FRACTIONAL SECTION 12,  
TOWNSHIP 28 NORTH, RANGE 10 WEST,  
NMPM, SAN JUAN COUNTY, NEW MEXICO.

ORDER OF DISMISSAL

BY THE COMMISSION:

It appearing to the Commission that a motion has been filed on  
May 18, 1955 by Southern Union Gas Company moving that the above styled  
case be dismissed without prejudice.

IT IS THEREFORE ORDERED:

That the application of Southern Union Gas Company, for approval  
of a 270.11-acre non-standard gas proration unit in the Aztec-Pictured Cliffs  
Gas Pool covering all of fractional Section 12, Township 28 North, Range 10  
West, NMPM, San Juan County, New Mexico, be dismissed without prejudice.

DONE at Santa Fe, New Mexico, this 18<sup>th</sup> day of October, 1955.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

*John F. Simms*  
JOHN F. SIMMS, Chairman

*E. S. Walker*  
E. S. WALKER, Member

*W. B. Macey*  
W. B. MACEY, Member and Secretary



OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

October 19, 1955

Southern Union Gas Company  
Burt Building  
Dallas 1, Texas

Gentlemen:

We enclose a copy of Order R-701 and Order R-703 issued  
October 13, 1955, by the Oil Conservation Commission in Cases  
952 and 887 respectively.

Very truly yours,

W. B. Macey  
Secretary - Director

WBM:brp  
Enclosures (2)

C  
O  
P  
Y