

Case No.

939

Application, Transcript,
Small Exhibits, Etc.

BASE 939: Angels Peak Oil Co. application
for 190.89 acre non-standard drilling & gas
proration unit, Fulcher Kutz-PC, Angels Peak
Well #18

BEFORE THE
Oil Conservation Commission
SANTA FE, NEW MEXICO
August 17, 1955

IN THE MATTER OF:

CASE NO. 939 & 940 Consolidated.

TRANSCRIPT OF PROCEEDINGS

ADA DEARNLEY AND ASSOCIATES
COURT REPORTERS
605 SIMMS BUILDING
TELEPHONE 3-6691
ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
August 17, 1955

IN THE MATTER OF:

Application of Angels Peak Oil Company for approval of a 190.89 acre non-standard drilling and gas proration unit in the Fulcher Kutz-Pictured Cliffs Gas Pool, to consist of W/2. W/2 E/2 of fractional Section 12, Township 28 North, Range 11 West, San Juan County, New Mexico, and to be dedicated to applicant's Angels Peak Well #18, 990' from the south and west lines of said Section 12.

Case No. 939

Application of Angels Peak Oil Company and Congress Oil Company for approval of a 192.97 acre non-standard drilling and gas proration unit in the Fulcher Kutz-Pictured Cliffs Gas Pool, San Juan County, New Mexico, to consist of E/2 E/2 of fractional Section 12, Township 28 North, Range 11 West, and the W/2 of fractional Section 7, Township 28 North, Range 10 West, and to be dedicated to a well yet to be drilled.

Case No. 940

Consolidated.

BEFORE:

Honorable John F. Simms
Mr. E. S. (Johnny) Walker
Mr. William B. Macey

TRANSCRIPT OF HEARING

MR. MACEY: The next case on the docket is Case 939.

MR. GRENIER: May it please the Commission, Cases 939 and 940 each relate to requests for approval of non-standard drilling and gas proration units. They are adjacent tracts and many of the facts are common thereto. If the two cases might be consolidated, I think we would save time and not have to duplicate testimony.

MR. MACEY: Is there objection to consolidation of Cases 939

940, for the purpose of making the record. If not, let the record show the cases were consolidated and the witness sworn in both cases.

MR. GRENIER: A. S. Grenier, appearing for Southern Union and Angels Peak Oil Company, and Congress Oil Company.

A. M. W I E D E R K E H R ,

called as a witness, having been first duly sworn, testified as follows:

DIRECT EXAMINATION

By MR. GRENIER:

Q Mr. Wiederkehr, will you state your name for the record?

A A. M. Wiederkehr.

Q What is your position?

A Manager of Exploration, Southern Union Gas Company.

Q The applicants in these cases are what companies?

A Angel Peak Oil Company and Congress Oil Company.

Q What is the relationship of those two companies to Southern Union Gas Company?

A They are independent companies in which Southern Union controls the major portion of the stock, and Southern Union operates the companies.

Q They are subsidiary companies of Southern, which Southern Union operates through its own staff?

A That is correct.

Q So, you are serving in the same capacity in these companies as you are for Southern Union Gas?

A That is right.

Q Have you testified previously before this Commission?

A I have.

MR. GRENIER: Are the witness's qualifications acceptable?

MR. MACEY: They are.

Q Describe for us, if you will, what the two units are that are proposed in these two cases?

A In Case 939, this case involves Angel Peak Oil Company's Well Number 18, which is located in the west half of fractional Section 12, Township 28 North, Range 11 West. Fractional Section 12 is somewhat smaller than a normal section, due to the land survey, and the quarter section which would normally be attributed to a Pictured Cliffs well in this area, contains considerably less than the normal 160 acres; in this case, 127.48 acres.

The second case, 940, has to do with a well, which at the time of our application was to be drilled, and which well at the present time has been completed in the east half of the east half of Section 12.

Q That is the same Section 12?

A That is the same section. One well being in the west half of the west half and the other in the east half of the east half. This particular quarter section, or as it happens to be in this instance, half section, contains 126.6 acres, which is still below the normal 160 acres usually attributable to Pictured Cliff Wells.

Q That is the east half of Section 12?

A That is correct.

Q Which contains in effect, what would be the south half of the south half of the normal size section, plus a small additional amount above that?

A Small lots above that.

Q Four small lots above that. The two units proposed, the one in 939 consists again of one --

A The proposed units consist of the west half of Section 12 and the west half of the east half of 12.

Q In 940?

A Would be the east half of the east half of 12 and the west half of Section 7, Township 28 North, Range 10 West.

Q Have you prepared plats, Mr. Wiederkehr, to show the outline of these two proposed units?

A Yes, I have.

Q In relation to existing wells?

A Yes, we have.

MR. GRENIER: Mark Exhibit No. 1 in Case 940 and Number 2 in Case 939.

(Marked Exhibits Nos. 1 and 2, for identification.)

Q Referring to the unit proposed in Case Number 939, that is to say the west three quarters of this fractional section 12, is there any established proration unit presently in effect for that well that is located on that unit?

A Yes, when prorationing went into effect in the San Juan Basin, we applied for a non-standard unit at that time, asking for the west half of Section 12 to be designated as the unit. This was approved on March 15, 1955, NWU Order Number 5.

Q That was the Commission's Order NWU-5?

A Right.

Q An administrative order?

A That is correct.

Q Has there been any specific order of the Commission, either administrative or otherwise, affecting the remainder of the acreage here involved? That is, the east half of the east half of 12 and

the west half of the adjoining Section 7 in the next township?

A No.

Q Why is it now desired, Mr. Wiederkehr, to expand the unit established in Administrative Order NWU-5 so as to take in the west three-quarters instead of the west half of Section 12?

A Due to additional drilling and new completion practices we have decided that the remainder of our acreage there in this particular location is productive, and we have at the same time been able to see the allowables that are granted under its present acreage allocation, and we have production history from the well to show that its capacity exceeds the allowable granted under this smaller unit, and in order to drill as few wells as possible to drain the given area, we wish to enlarge this unit to 190 acres, and set up another unit of approximately 190 acres in order that two wells might cover this particular acreage. And, at the same time, by doing that we will not have to drill additional wells, spend an additional twenty to thirty thousand dollars to recover no more gas than can be recovered by these two.

Q First of all, what is the designation of the well in the west half of the west half of 12?

A Angel Peak Unit Number 19.

Q Number 19 or 18?

A In 12, 18.

Q What is the designation of the recently completed well in the east half of the east half of 12?

A Angel Peak Number 19.

Q In your opinion, will the Angel Peak Number 18 Well be capable of efficiently and economically draining without waste the entire

revised proposed unit?

A I think it will. Its capacity would indicate it would.

Q Will it be able to produce the expanded allowable which would be granted to it if three-quarters of a section were set up as a new drilling pattern?

A On the present allowable basis it would. The present allowable with 126 acres is approximately two million a month. The records have indicated it has produced eight million per month.

Q That would make an allowable of three million per month.

A Right.

Q Which would be covered by the wells known?

A It has produced twice that amount.

Q As to the Angels Peak Number 19, which is on the unit proposed in Case 940, how about that well's capabilities?

A We do not have an official test on it, but the gauge initially upon completion showed an initial potential of some two and a half million, which is comparable to the initial on Angels Peak No. 18.

Q In your opinion, will that well be capable of efficiently and economically draining the entire area in the proposed unit?

A I think it will.

Q In your opinion, may the entire area comprising these two proposed units be reasonably presumed to be productive of oil and gas, or gas?

A Due to the development around the area, I would say it will be productive.

Q Of gas?

A Yes.

Q From what formation?

A Pictured Cliffs.

Q Have offset operators been notified, Mr. Wiederkehr, of these applications?

A Yes, they have.

Q Who are they?

A Kutz Canyon Oil and Gas Company on the east, Aztec Oil and Gas Company on the west, Pubco Development, Inc. own the north and Texas Company own the north, and then two independents, a Charles T. Campbell and Robert Mims and A. J. Flag.

Q All of those parties have been notified by registered mail, is that correct?

A That is correct.

Q Have answers been received back from any of them approving the proposed unit?

A Yes, we have answers back from the Texas Company, from Aztec Oil and Gas Company and Pubco Development Company, Inc.

MR. GRENIER: We would like to have marked as Southern Union Gas Company's Exhibits 3, 4 and 5, these letters from Texas Company, Aztec Oil and Gas Company, and Pubco Development Company, Inc., respectively, indicating a consent to the proposed unit.

(Marked Southern Union Gas Company's Exhibits 3, 4 and 5, for identification.)

Q Nothing has been heard from any of the other operators, is that correct?

A No, we have no correspondence from the rest of the operators.

Q Do you have any further comments that you would like to make in this case?

A Only to say that the Well No. 19 which was not drilled, but

has been drilled since our application, was so located that in the event the Commission deems it not advisable to approve the unit, we are still in position to produce it as a half section or a 126-acre unit. In other words, we didn't presume --

Q (Interrupting) You are not suggesting to the Commission they do that?

A We didn't presume they would automatically okay it, the well is so located. We feel an additional well in the area would be required if these are not approved, and the additional well would be the additional expenditure of some twenty-five thousand dollars of money that is not called for. We think it economic waste.

MR. GRENIER: We have no further testimony in these cases, but would like to ask that Southern Union's Exhibits 1 through 5 be accepted.

MR. MACEY: Without objection they will be received. Any question of the witness?

CROSS EXAMINATION

By MR. NUTTER:

Q To what do you account the productivity of the west half?

A In the northeast quarter of Section 18 there is a completed well which is east of the west half of Section 7 and then there is production to the south of it and to the west of it. We do not have any production to the north of it, but the west half of the southwest quarter was just purchased by Pubco Company on the July 19th sale, to give them a drilling block.

Q Which acreage was that?

A The west half of the southwest quarter of Section 36 to the north was just recently purchased. It was open acreage. It belonged

to the State until the 19th of July, so it could not very easily have been drilled. We have no conclusive proof that it is productive to the north, but we do have production to the west and to the south and to the southeast.

MR. GRENIER: The indicated opinion of someone else that they think it is worth bidding on.

MR. MACEY: Anyone else have a question of the witness?

By MR. RIEDER:

Q My question is based on the fact it will require a pool extension, as the west half of the Section 7 is outside the pool limits. It will require the extension, and it will require the Commission to have some basis for extension.

A I did not bring the contoured map. I think if the Pictured Cliffs is contoured, you will find the contour running from Kutz Canyon No. 1 Kutz in the northeast quarter of 18 will include the west half of Section 7. That would show it would be productive. As I stated earlier, the reason we didn't drill in the west half of Section 7 is because we didn't know if you were going to approve this unit or not.

MR. MACEY: Anyone else? If not the witness may be excused.

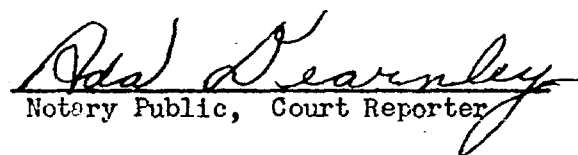
(Witness excused.)

MR. MACEY: Does anyone have anything further in these cases? If nothing further we will take the cases under advisement.

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 19th day of August, 1955.


Notary Public, Court Reporter

My Commission Expires:

June 19, 1959

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF)
ANGELS PEAK OIL COMPANY FOR AN ORDER)
GRANTING APPROVAL OF AN EXCEPTION TO)
RULE 6(A) OF THE SPECIAL RULES AND REG-)
ULATIONS FOR THE FULCHER KUTZ-PICTURED)
CLIFFS GAS POOL IN ESTABLISHMENT OF A)
NON-STANDARD DRILLING AND GAS PRORATION)
UNIT OF 190.89 CONTIGUOUS ACRES CONSIST-)
ING OF THE $W\frac{1}{2}$ AND THE $W\frac{1}{2}$ OF THE $E\frac{1}{2}$ OF)
FRACTIONAL SECTION 12, TOWNSHIP 28 NORTH,)
RANGE 11 WEST, N.M.P.M., SAN JUAN COUNTY,)
NEW MEXICO.)

CASE NO. 737

APPLICATION

Angels Peak Oil Company (herein referred to as "Applicant"), a New Mexico 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 Fulcher Kutz-Pictured Cliffs Gas Pool, promulgated by the Commission in its Order No. R-565, as amended, in establishment of the revised non-standard drilling and gas proration unit described hereinbelow; and in support of such application Applicant respectfully states and shows the following:

(1) The revised non-standard drilling and gas proration unit for which approval is sought herein consists of 190.89 contiguous surface acres substantially in the form of a rectangle, and consists of the $W\frac{1}{2}$ and the $W\frac{1}{2}$ of the $E\frac{1}{2}$ of fractional Section 12, Township 28 North, Range 11 West, N.M.P.M., San Juan, 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.

(4) The present drilling and gas proration unit for the aforesaid well, as established by the Commission's Administrative Order NWU-5, dated March 15, 1955, consists of the W $\frac{1}{2}$ of the aforesaid Section 12 and contains 127.48 acres. The well presently located thereon, however, is capable of producing the full allowable which would be granted to it on the basis of the 190.89 acre gas proration unit herein proposed. In the opinion of Applicant, the drilling of more than one well on the lands allocated to the proposed revised unit is not economically justified, and the present well 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:

Congress Oil Company
Burt Building
Dallas 1, Texas

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

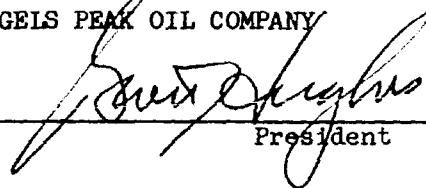
Attached hereto are true and complete copies of letters mailed today under registered cover to each of the aforesaid operators. As to the $W\frac{1}{2}$ of the $SW\frac{1}{4}$ of Section 36, Township 29 North, Range 11 West, Applicant is advised that these are state lands which are being offered for lease as a part of Tract No. 0-24 at the sale of July 19, 1955. Promptly following said lease sale on July 19, 1955, Applicant will deliver a copy of this application by registered mail to the successful bidder on said lands.

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 revised non-standard drilling and gas production unit herein proposed.

Respectfully submitted,

ANGELS PEAK OIL COMPANY

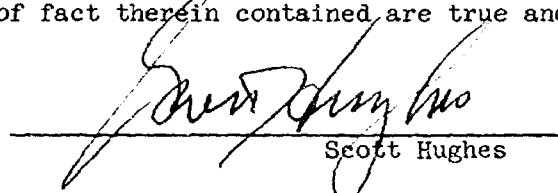
By


President

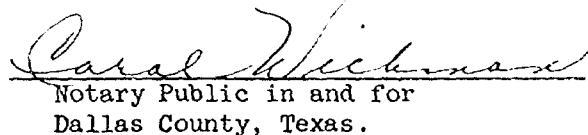
asg

THE STATE OF TEXAS)
COUNTY OF DALLAS)

Scott Hughes, being first duly sworn, hereby states that he is President of Angels Peak Oil Company, the Applicant in the foregoing application; that as such officer he has executed said application on behalf of Angels Peak Oil 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.


Scott Hughes

SWORN TO AND SUBSCRIBED before me, the undersigned authority, this 13th day of July, 1955.


Notary Public in and for
Dallas County, Texas.

CAROL WICHMAN

Notary Public, Dallas County, Texas

My Commission Expires June 1, 1957

ANGELS PEAK OIL COMPANY
CONGRESS OIL COMPANY
SUMMIT OIL COMPANY

Burt Building
Dallas 1, Texas

July 12, 1955

Mr. A. J. Flagg
4397 Detroit Avenue
Oakland, California

Dear Mr. Flagg:

Enclosed herewith is a copy of the application being mailed today by Angels Peak Oil Company for filing with the New Mexico Oil Conservation Commission, requesting an order of the Commission granting approval of establishment of a revised non-standard drilling and gas proration unit of 190.89 acres consisting of the $W\frac{1}{2}$ and the $W\frac{1}{2}$ of the $E\frac{1}{2}$ of fractional Section 12, Township 28 North, Range 11 West, N.M.P.M., San Juan County, New Mexico. We give you this advice since, according to our records, you own an oil and gas leasehold interest in certain acreage offsetting the unit proposed.

If you have no objection to establishment of the non-standard unit referred to above, we will appreciate you 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,

ANGELS PEAK OIL COMPANY

By _____
President

SH:mkf
Encl.
Via Registered Mail

ANGELS PEAK OIL COMPANY
CONGRESS OIL COMPANY
SUMMIT OIL COMPANY
Burt Building
Dallas 1, Texas

July 12, 1955

Congress Oil Company
Burt Building
Dallas 1, Texas

Gentlemen:

Enclosed herewith is a copy of the application being mailed today by Angels Peak Oil Company for filing with the New Mexico Oil Conservation Commission, requesting an order of the Commission granting approval of establishment of a revised non-standard drilling and gas proration unit of 190.89 acres consisting of the $W\frac{1}{2}$ and the $W\frac{1}{2}$ of the $E\frac{1}{2}$ of fractional Section 12, Township 28 North, Range 11 West, N.M.P.M., San Juan County, New Mexico. We give you this advice since, according to our records, you own an oil and gas leasehold interest in certain acreage offsetting the unit proposed.

If you have no objection to establishment of the non-standard unit referred to above, we will appreciate you 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,

ANGELS PEAK OIL COMPANY

By _____
President

SH:mkf
Encl.
Via Registered Mail

ANGELS PEAK OIL COMPANY
CONGRESS OIL COMPANY
SUMMIT OIL COMPANY
Burt Building
Dallas 1, Texas

July 12, 1955

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

Gentlemen:

Enclosed herewith is a copy of the application being mailed today by Angels Peak Oil Company for filing with the New Mexico Oil Conservation Commission, requesting an order of the Commission granting approval of establishment of a revised non-standard drilling and gas proration unit of 190.89 acres consisting of the $W\frac{1}{2}$ and the $W\frac{1}{2}$ of the $E\frac{1}{2}$ of fractional Section 12, Township 28 North, Range 11 West, N.M.P.M., San Juan County, New Mexico. We give you this advice since, according to our records, you own an oil and gas leasehold interest in certain acreage offsetting the unit proposed.

If you have no objection to establishment of the non-standard unit referred to above, we will appreciate you 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,

ANGELS PEAK OIL COMPANY

By _____
President

SH:mkf
Encl.
Via Registered Mail

ANGELS PEAK OIL COMPANY
CONGRESS OIL COMPANY
SUMMIT OIL COMPANY
Burt Building
Dallas 1, Texas

July 12, 1955

Mr. Harry Cooley
Mrs. Doris M. Cooley
1920 Kendall Avenue
Madison 5, Wisconsin

Dear Mr. and Mrs. Cooley:

Enclosed herewith is a copy of the application being mailed today by Angels Peak Oil Company for filing with the New Mexico Oil Conservation Commission, requesting an order of the Commission granting approval of establishment of a revised non-standard drilling and gas proration unit of 190.89 acres consisting of the $W\frac{1}{2}$ and the $W\frac{1}{2}$ of the $E\frac{1}{4}$ of fractional Section 12, Township 28 North, Range 11 West, N.M.P.M., San Juan County, New Mexico. We give you this advice since, according to our records, you own an oil and gas leasehold interest in certain acreage offsetting the unit proposed.

If you have no objection to establishment of the non-standard unit referred to above, we will appreciate you 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,

ANGELS PEAK OIL COMPANY

By _____
President

SH:mxf
Encl.
Via Registered Mail

Memo

From

San Juan

To

Jack Gurler

Re case 939

Jack - see application for well assignment and location
I believe that we should go along with Angels Peak Oil Co's request for 190.89-acre NSP consisting of the W/2 and the W/2 E/2 partial section 12, T 28N, R 11W, San Juan Co. N. Mex.

The entire acreage may be reasonably presumed to be production of gas and unless the unit is approved applicant will be denied his right to produce his fair & equitable share of the gas in the Fulcherbush-PC Gas Pool.

ENCL. SENT JUL 23 1955

JUL 21 1955

THE TEXAS COMPANY

TEXACO PETROLEUM PRODUCTS



PRODUCING DEPARTMENT
WEST TEXAS DIVISION

P. O. BOX 1720
FORT WORTH 1, TEXAS

July 20, 1955

Angels Peak Oil Company
Burt Building
Dallas 1, Texas

OIL COM. BEFORE THE
SANTA FE PETROLEUM COMMISSION
SUG
CASE 939-940
EXHIBIT No. 3

Gentlemen:

Please refer to your letter of July 12, 1955, in which you furnished a copy of your application for exception to Rule 6(A) of Fulcher Kutz-Pictured Cliffs Gas Pool rules in order to establish a non-standard gas proration unit consisting of 192.97 acres out of Fractional Section 12, T-28-N, R-11-W, and Fractional Section 7, T-28-N, R-10-W, San Juan County, New Mexico.

This is to advise that The Texas Company has no objection to this application.

Yours very truly,

L. W. Folmar

L. W. Folmar
Asst. Division Petroleum Engineer

LWF-MFT

AZTEC OIL & GAS COMPANY

920 MERCANTILE SECURITIES BUILDING

DALLAS 1, TEXAS

QUILMAN B. DAVIS
SECRETARY AND GENERAL ATTORNEY

July 13, 1955

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
SUG EXHIBIT No. 4
CASE 739-940

Angels Peak Oil Company
Burt Building
Dallas 1, Texas

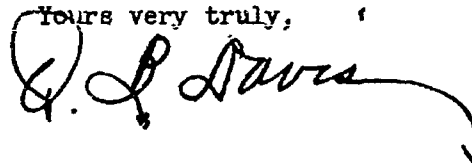
Attention: Mr. A. S. Grenier

Gentlemen:

This is to acknowledge receipt of a copy of your application filed with the New Mexico Oil Conservation Commission requesting approval of a non-standard drilling and gas proration unit of 190.89 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 11 West, N.M.P.M., San Juan County, New Mexico.

Aztec Oil & Gas Company does not object to the formation or approval by the Commission of the above described non-standard gas proration unit.

Yours very truly,



QBD:NL

C O P Y

PUBCO DEVELOPMENT, INC.

Box 1419

ALBUQUERQUE, NEW MEXICO

August 12, 1955

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
509 EXHIBIT No. 5
CASE 1939-940

Re: Non-Standard Proration Unit
E $\frac{1}{2}$ E $\frac{1}{2}$ of fractional Section 12,
Township 28 North, Range 11
West and W $\frac{1}{2}$ of fractional Sec-
tion 7, Township 28 North,
Range 10 West

Non-Standard Proration Unit
W $\frac{1}{2}$, W $\frac{1}{2}$ E $\frac{1}{2}$ of fractional Section
12, Township 28 North, Range
11 West

Angels Peak Oil Company
Congress Oil Company
Burt Building
Dallas 1, Texas

Attention: Mr. A. S. Grenier

Gentlemen:

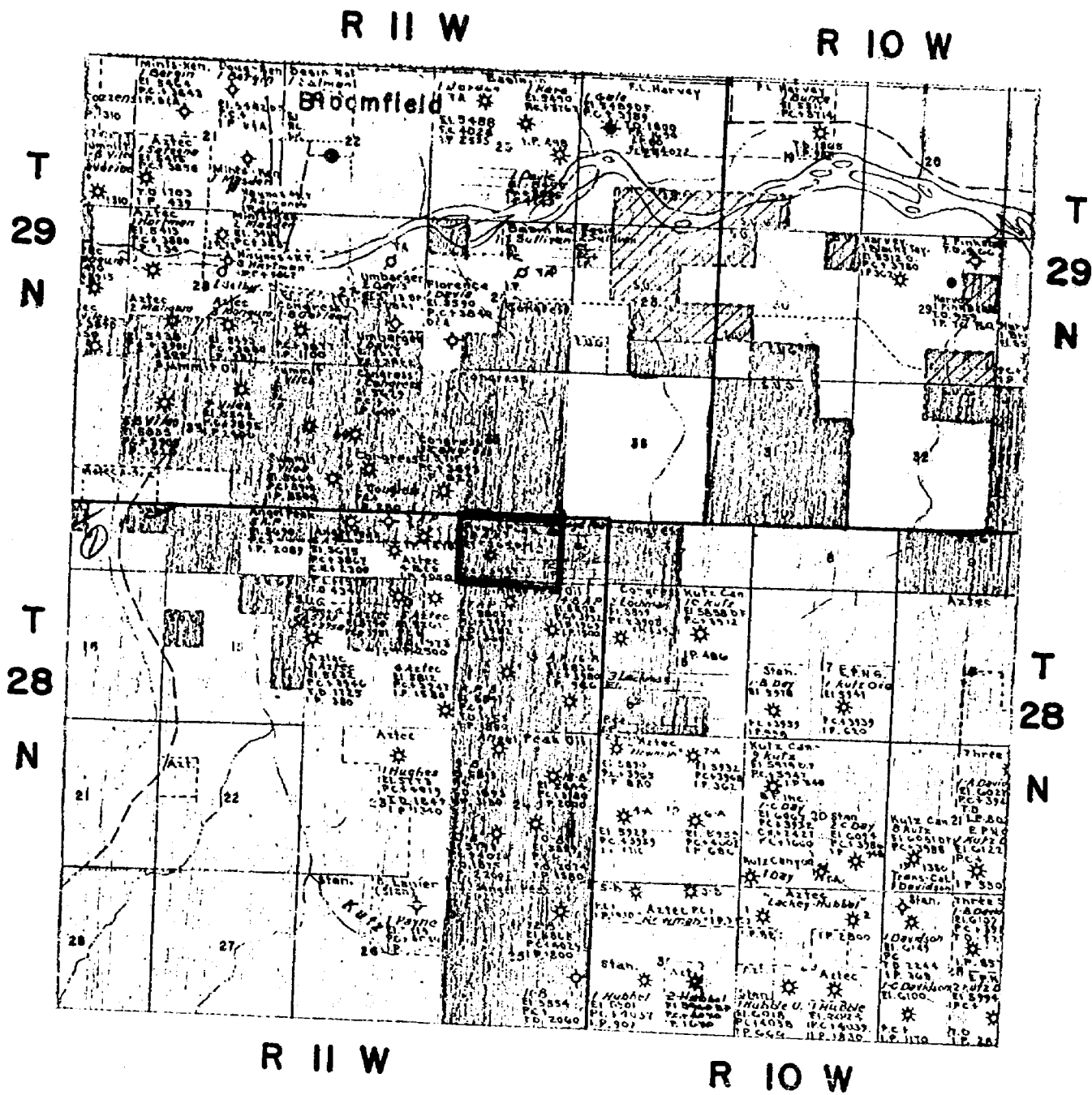
Your letter of August 11, 1955, enclosing copies
of your applications for the above captioned non-standard
proration units, has been received and you are advised that
this company has no objections to these proposed units.

Very truly yours,

/s/ F. G. Daniell

F. G. Daniell
Land Manager

FGD:tp



SOUTHERN UNION GAS COMPANY

Case 939 Exhibit 2

QUILMAN B. DAVIS
SECRETARY AND GENERAL ATTORNEY

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

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
SUG EXHIBIT No. 4
CASE 1 429-940

July 13, 1955

Angels Peak Oil Company
Burt Building
Dallas 1, Texas

Attention: Mr. A. S. Grenier

Gentlemen:

This is to acknowledge receipt of a copy of your application filed with the New Mexico Oil Conservation Commission requesting approval of a non-standard drilling and gas proration unit of 190.89 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 11 West, N.M.P.M., San Juan County, New Mexico.

Aztec Oil & Gas Company does not object to the formation or approval by the Commission of the above described non-standard gas proration unit.

Yours very truly,

Q. B. Davis

QBD:NL

C O P Y

PUBCO DEVELOPMENT, INC.

Box 1419

ALBUQUERQUE, NEW MEXICO

August 12, 1955

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
SUG EXHIBIT No. 5
CASE 1939-940

Re: Non-Standard Proration Unit
 $E\frac{1}{2}E\frac{1}{2}$ of fractional Section 12,
Township 28 North, Range 11
West and $W\frac{1}{2}$ of fractional Sec-
tion 7, Township 28 North,
Range 10 West

Non-Standard Proration Unit
 $W\frac{1}{2}$, $W\frac{1}{2}E\frac{1}{2}$ of fractional Section
12, Township 28 North, Range
11 West

Angels Peak Oil Company
Congress Oil Company
Burt Building
Dallas 1, Texas

Attention: Mr. A. S. Grenier

Gentlemen:

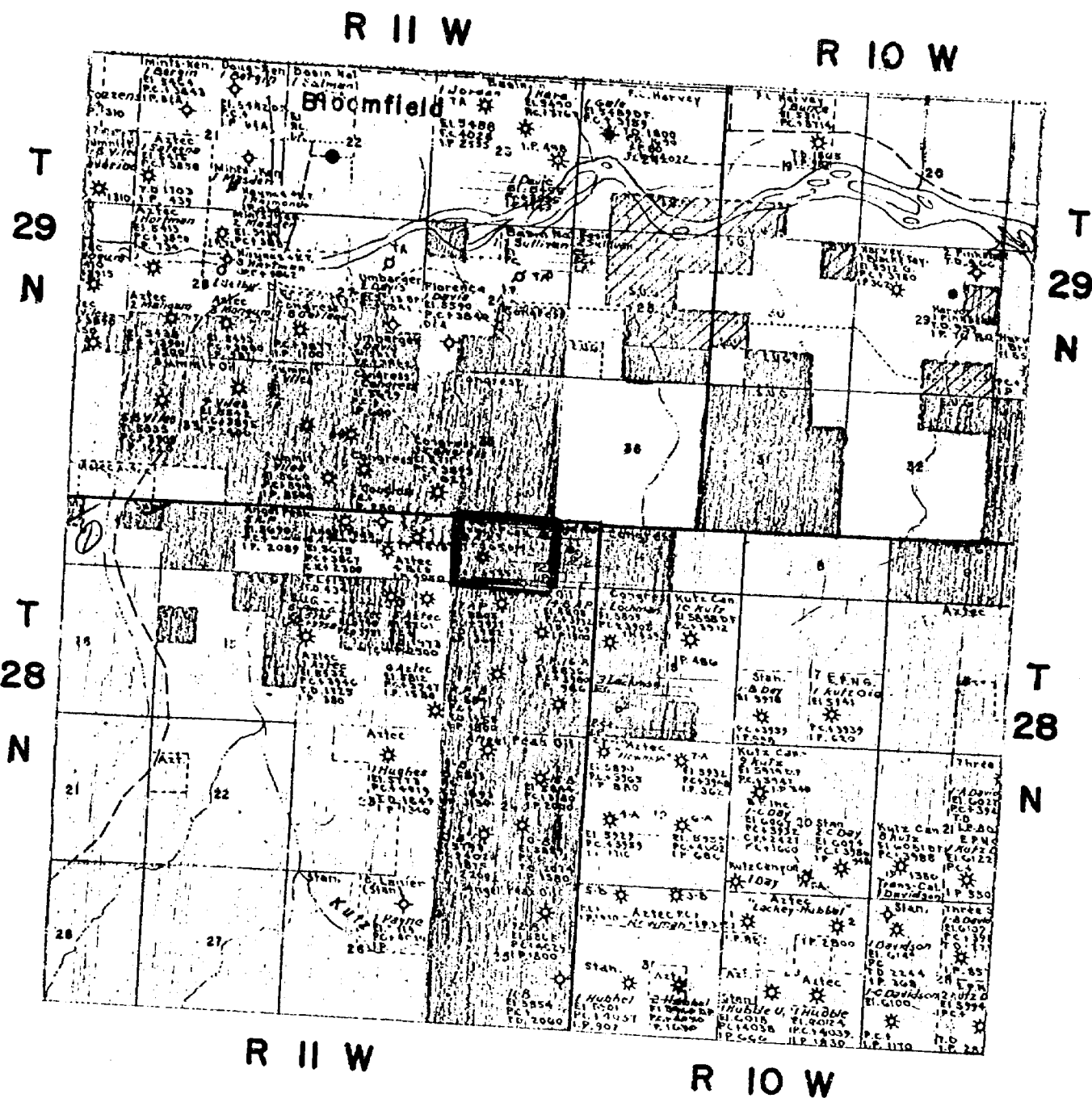
Your letter of August 11, 1955, enclosing copies
of your applications for the above captioned non-standard
proration units, has been received and you are advised that
this company has no objections to these proposed units.

Very truly yours,

/s/ F. G. Daniell

F. G. Daniell
Land Manager

FGD:tp



SOUTHERN UNION GAS COMPANY

Case 939 Exhibit 2

RECEIVED JUL 23 1955

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THE TEXAS COMPANY

TEXACO PETROLEUM PRODUCTS



PRODUCING DEPARTMENT
WEST TEXAS DIVISION

P. O. BOX 1720
FORT WORTH 1, TEXAS

July 20, 1955

Angels Peak Oil Company
Burt Building
Dallas 1, Texas

BEFORE THE
OIL CONS. & SURVEY COMMISSION
SANTA FE, NEW MEXICO
SUG EXHIBIT No. 3
CASE 439-440

Gentlemen:

Please refer to your letter of July 12, 1955, in which you furnished a copy of your application for exception to Rule 6(A) of Fulcher Kutz-Pictured Cliffs Gas Pool rules in order to establish a non-standard gas proration unit consisting of 192.97 acres out of Fractional Section 12, T-28-N, R-11-W, and Fractional Section 7, T-28-N, R-10-W, San Juan County, New Mexico.

This is to advise that The Texas Company has no objection to this application.

Yours very truly,

L. W. Folmar

L. W. Folmar
Asst. Division Petroleum Engineer

LWF-MFT

LEGAL DEPARTMENT
WILLIS E. LEA, JR.
GENERAL ATTORNEY

MAIL ROOM 100

SOUTHERN UNION GAS COMPANY
BURT BUILDING
DALLAS 1, TEXAS

July 12, 1955

Case 7-74740
Rebel
Return
P. 10/11
A. S. GRENIER
MILLARD F. CARR
EDWARD G. TAYLOR
JACK HERTZ

New Mexico Oil Conservation Commission
Santa Fe
New Mexico

Gentlemen:

Enclosed herewith in triplicate are two applications by subsidiaries of Southern Union Gas Company for approval of unorthodox drilling and gas proration units in San Juan County, New Mexico.

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

Assuming that a hearing will be necessary on each of these matters, we would like to have them consolidated for hearing on as early a date as possible.

Very truly yours,

A. S. Grenier

ASG:nb
encls.

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. 939
Order No. R-697

THE APPLICATION OF ANGELS PEAK
OIL COMPANY FOR AN ORDER GRANTING
APPROVAL OF AN EXCEPTION PURSUANT
TO RULE 6 (a) OF THE SPECIAL RULES
AND REGULATIONS FOR THE FULCHER KUTZ-
PICTURED CLIFFS GAS POOL OF ORDER NO.
R-565 IN ESTABLISHMENT OF A NON-STANDARD
GAS PRORATION UNIT OF 190.89 CONTIGUOUS
ACRES CONSISTING OF W/2 AND W/2 E/2 OF
FRACTIONAL SECTION 12, TOWNSHIP 28 NORTH,
RANGE 11 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 August 17, 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 records and 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 Fulcher Kutz-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.
- (3) That the applicant, Angels Peak Oil Company is the owner of an oil and gas lease in San Juan County, New Mexico, the land consisting of other than a legal quarter section.
- (4) That applicant proposes to establish a non-standard gas proration unit in the Fulcher Kutz-Pictured Cliffs Gas Pool, to consist of the following described acreage:

TOWNSHIP 28 NORTH, RANGE 11 WEST, NMPM
W/2 and W/2 E/2 of fractional Section 12

containing 190.89 acres, more or less.

(5) That applicant, Angels Peak Oil Company, has a producing well known as Angels Peak No. 18, located 990 feet from the South line and 990 feet from the west line of Section 12, Township 28 North, Range 11 West, NMPM, San Juan County, New Mexico.

(6) That the entire acreage may be reasonably presumed to be productive of gas and that the owners of adjoining acreage in said area have not objected to the formation of the proposed proration unit of 190.89 acres.

(7) That unless a proration unit consisting of aforesaid acreage is permitted, applicant will be deprived of the opportunity to recover its just and equitable share of the natural gas in the Fulcher Kutz-Pictured Cliffs Gas Pool.

(8) That the creation of a proration unit consisting of the aforesaid acreage will not cause but will prevent waste, and will protect correlative rights.

IT IS THEREFORE ORDERED:

1. That the application of Angels Peak Oil Company for approval of a non-standard proration unit consisting of the following described acreage:

TOWNSHIP 28 NORTH, RANGE 11 WEST, NMPM
W/2 and W/2 E/2 of fractional Section 12

a total of 190.89 acres,

be and the same is hereby approved and a proration unit consisting of aforesaid acreage is hereby created.

2. That the applicant's well, Angels Peak Well No. 18, located in the Fulcher Kutz-Pictured Cliffs Gas Pool, 990 feet from the South line and 990 feet from the west line of Section 12, Township 28 North, Range 11 West, NMPM, San Juan County, New Mexico, shall be granted an allowable in the proportion that the above described 190.89 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. Sims
JOHN F. SIMS, 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

C
O
P
Y

Angels Peak Oil Company &
Congress Oil Company
Burt Building
Dallas 1, Texas

Gentlemen:

We enclose a copy of Orders R-697 and R-698 issued October 13, 1955, by the Oil Conservation Commission in Cases 939 and 940, respectively, which were heard at the August 17th hearing.

Very truly yours,

W. B. Macey
Secretary - Director

WBM:brp
Encls.