ON CONSERVATION COMMISSION SANTA FE, NEW MEXICO CP III ON

THE STATE OF TEXAS DALLAS COUNTY OF

NWU # >0 Aue 5/6/55

BEFORE ME, the undersigned authority, on this day personally appeared JOSEPH P. DONAHUE, JR., who, after being by me duly sworn, on oath deposes and says:

> That Mr. Ted White, 304 Dorchester House, 911 St. Joseph St., Dallas, Texas; Mr. Ralph A. Johnston, Esperson Building, Houston 2, Texas; Stanolind Oil and Gas Company, Oil & Gas Building, Fort Worth, Texas; and El Paso Natural Gas Company, El Paso Natural Gas Building, El Paso, Texas, being all of the operators of acreage adjacent to Three States Natural Gas Company's J. C. Gordon #1 well located in the NE/4 of Section 24, T-27-N, R-10-W, San Juan County, New Mexico, and being in the Fulcher Kutz-Pictured Cliffs Gas Pool, have been notified that the said Three States Natural Gas Company has applied for a nonstandard proration unit covering its said J. C. Gordon #1 well.

SUBSCRIBED AND SWORN TO before me on this the 5th day

of April, 1955.

Treva P. Leverton

Notary Public in and for

Dallas County, Texas

My Commission Expires

June 1, 1955

MAIN OFFICE OCC.

BEFORE THE OIL CONSERVATION COMMISSION OF

MI THE STATE OF NEW MEXICO

IN THE MATTER OF APPLICATION OF THREE STATES NATURAL GAS COMPANY FOR APPROVAL OF A NON-STANDARD PRORATION UNIT CONSISTING OF 153.36 CONTIGUOUS ACRES IN THE FULCHER KUTZ-PICTURED CLIFFS GAS POOL IN SAN JUAN COUNTY, NEW MEXICO

CASE NO. NWU-20

Comes now Applicant THREE STATES NATURAL GAS COMPANY by its Attorney and states:

- 1. It is the owner and operator of the J. C. Gordon #1 well located in the SW/4 NE/4 NE/4 (990' of North line and 990' West of East line) of Section 24, T-27-N, R-10-W, San Juan County, New Mexico.
- 2. Its J. C. Gordon #1 well is completed within the vertical limits of the Fulcher Kutz-Pictured Cliffs Gas Pool and is capable of production of gas only from a producing formation now defined by the Commission as within the Fulcher Kutz-Pictured Cliffs Gas Pool.
- 3. Its J. C. Gordon #1 well is situated upon lands owned by the United States Government and the United States Government is the sole royalty owner thereunder.
- 4. Its lease is entirely surrounded by producing gas wells in the Fulcher Kutz-Pictured Cliffs gas pool and is, therefore, itself capable of production.
- 5. A plat showing the above described land, the location of the subject well and all offset properties, indicating well locations and lease ownership to the best of our knowledge, is hereby attached.

WHEREFORE, Applicant requests, in the interest of conservation and protection of correlative rights, the Commission to issue

NE/4 Sec 24

its order providing as follows:

That pursuant to Rule 6 (A) of Case No. 729, Order No. R-565, the allowable production from this non-standard gas proration unit, as compared with the allowable production therefrom if this tract were a standard unit, be in the ratio which the area of the non-standard proration unit (to-wit, 153.36 acres) bears to a standard proration unit of 160 acres.

Respectfully submitted,

THREE STATES NATURAL GAS COMPANY

Donahue, J/., Attorney

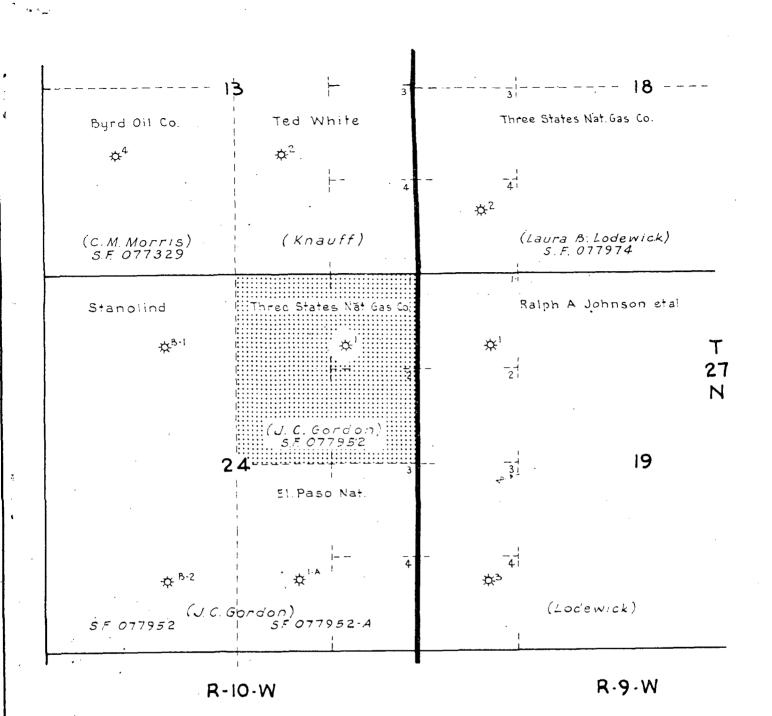


EXHIBIT "A" THREE STATES NATURAL GAS CO.

JOSEPH C.GORDON(FEDERAL) 153.36 ACRE LEASE
FULCHER KUTZ-PICTURED CLIFFS GAS POOL
SAN JUAN COUNTY, NEW MEXICO
SCALE 4"=1 MILE

J.C.Gordon Lease