

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

NWU-158

Due 3/12/56

APPLICATION OF KUTZ CANON OIL AND)
GAS COMPANY, a Colorado corporation,)
FOR APPROVAL OF THE FORMATION OF A)
NON-STANDARD GAS PRO RATION UNIT IN)
THE FULCHER KUTZ PICTURED CLIFFS)
GAS POOL, SAN JUAN COUNTY, NEW MEXICO)

Kutz Canon Oil and Gas Company, a Colorado corporation, hereby makes application to the Oil Conservation Commission of the State of New Mexico for approval of the formation of a non-standard gas pro-ration unit in the Fulcher Kutz Pictured Cliff Gas Pool, San Juan County, New Mexico. Said application is made in accordance with Rule 1 of Order R-128-C and Rule 6 of Orders R-565 and R-566 of the Special Rules and Regulations of the Oil Conservation Commission of the State of New Mexico. The applicant states as follows:

1. The proposed non-standard pro ration unit consists of less than 160 acres due to unorthodox size or shape of the tract arising out of a variation in the legal subdivision of the United States public land surveys. Said unit is described as the $SE\frac{1}{4}$, Section 8, Township 28 North, Range 10 West, San Juan County, New Mexico, and the unit consists of 127.74 acres, being the $E\frac{1}{2}$ of partial Section 8, in said township and range.

2. The proposed non-standard gas pro ration unit consists of all of the above described $SE\frac{1}{4}$, Section 8, Township 28 North, Range 10 West.

3. The non-standard gas pro ration unit lies wholly within a single government section as described in paragraphs 1 and 2.

4. The proposed non-standard gas pro ration unit may reasonably be presumed to be productive of gas, and applicant states in this connection that the applicant has drilled a well

upon said unit, which well resulted in the discovery of gas.

5. In lieu of written consents of all operators owning interests and acreage offsetting the proposed non-standard unit, the applicant states that it has notified all operators by registered mail of its intent to make application hereunder and to form such non-standard gas pro ration unit. Such notices by registered mail have been mailed to the following operators concerning the following described offset acreage:

SW $\frac{1}{4}$, Section 8, Twp. 28 N.
Range 10 West

✓ El Paso Natural Gas Co.
Three States Natural Gas Co.
Byrd Frost Oil and Gas Co.
P. B. English
Dorothy Dillon Sapp

NW $\frac{1}{4}$, Section 17, Twp. 28 N.
Range 10 West

Stanolind Oil & Gas Co.
Western Natural Gas Co.
Three States Natural Gas Co.
✓ El Paso Natural Gas Co.

NE $\frac{1}{4}$, Section 17, Twp. 28 N.
Range 10 West

Applicant is the operator
of this tract

NW $\frac{1}{4}$, Section 16, Twp. 28 N.,
Range 10 West

✓ Aztec Oil & Gas Co.

SW $\frac{1}{4}$, Section 9, Twp. 28 N.,
Range 10 West

✓ Southern Union Gas Co.

SE $\frac{1}{4}$ SE $\frac{1}{4}$, Section 32, Twp. 29
N., Range 10 West

E. C. Mitcham

SW $\frac{1}{4}$ SE $\frac{1}{4}$, Section 32, Twp. 29
N., Range 10 West

O. C. Beck

S $\frac{1}{2}$ SW $\frac{1}{4}$, Section 32, Twp. 29
N., Range 10 West

✓ Texas Company

SE $\frac{1}{4}$, Section 31, Twp. 29 N.,
Range 10 West

✓ Southern Union Gas Co.

SW $\frac{1}{4}$, Section 31, Twp. 29 N.,
Range 10 West

Southern Union Gas Co.

6. The well which resulted in the discovery of gas on the proposed non-standard gas pro ration unit is known as J-3, and said well resulted in the discovery of gas from the Pictured Cliff Formation. It is located 1210 feet from the South line and 1350 feet from the East line of said unit.

7. Applicant files herewith a plat showing acreage to be dedicated, well location, and offset ownership.

8. Applicant also furnishes herewith the mailing list

of all operators notified by registered mail, as follows:

El Paso Natural Gas Co.
Three States Natural Gas Co.
Byrd Frost Oil and Gas Co.
P. B. English
Dorothy Dillon Sapp
Stanolind Oil & Gas Co.
Western Natural Gas Co.
Aztec Oil & Gas Co.
Southern Union Gas Co.
E. C. Mitcham
O. C. Beck
Texas Company

and attaches as exhibits copies of letters sent to such operators by registered mail.

WHEREFORE, applicant requests the Commission to allow the applicant to form such non-standard pro ration unit and to grant an exception to Rule 6 (A) without notice and hearing, on the ground that said applicant has complied with said rules and regulations of the Commission, and the further ground that the proposed unit consists of less than 160 acres. Applicant further requests that administrative approval be granted for the formation of such unit by the Secretary and Director of the Commission.

KUTZ CANON OIL AND GAS COMPANY

By *J. F. Seaton*
Vice President

STATE OF COLORADO)
CITY AND COUNTY OF DENVER) SS.

J. F. Seaton being first duly sworn on oath, deposes and says that he is Vice President of Kutz Canon Oil and Gas Company, a Colorado corporation; that he has read the above and foregoing application, and that the facts stated therein are true of his own knowledge.

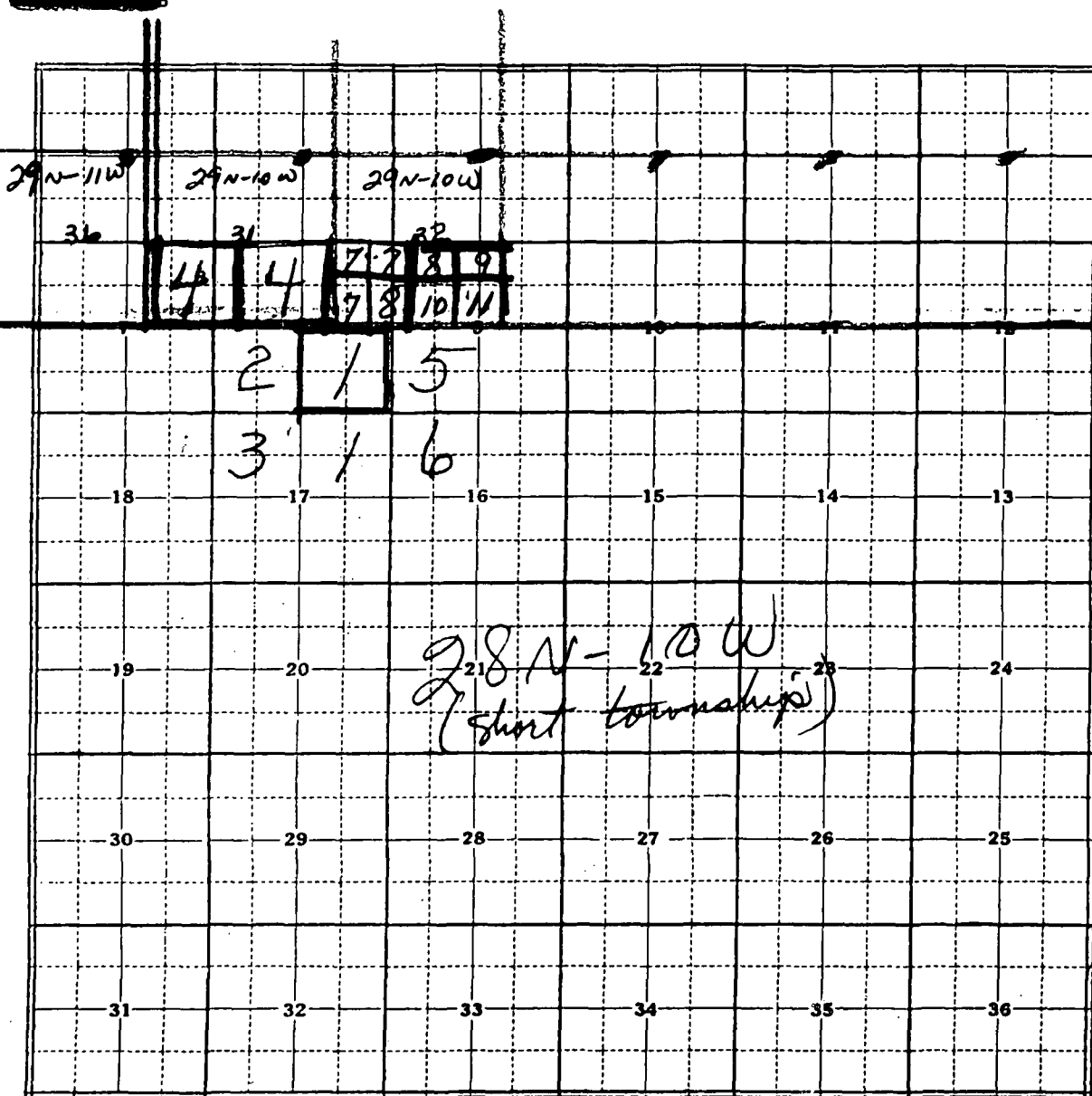
Witness my hand and official seal.

My commission expires May 12, 1956

Gilbert C. Maxwell
Notary Public

P. O. BOX 1681

SANTA FE, NEW MEXICO



1. SF 047039-b Alta M. Day ~~Lachman~~ ^{110 W. Berger}, Administratrix, Santa Fe, New Mexico Lessee
Kutz Canyon O&G Operator
2. SF 047039-B Alta M. Day ~~Lachman~~, Administratrix, Santa Fe, N.M., Lessee
Operators: El Paso Natural Gas Co. (Gas Operator)
~~Three States 1/2, Byrd-Frost and P.B. English 1/4~~
~~Dorothy Dillon Sapp, c/o Western Natural Gas Co. 1/4~~
3. SF 047039-b Alta M. Day ~~Lachman~~, Administratrix, Santa Fe, N.M., Lessee
~~Stanolind O&G 1/2, Western Natural Gas Co. 1/4, Three States O&G 1/4~~
El Paso Natural Gas Co. (Gas Operator)
4. NM 0702, Joe D. Reid (No address given) Lessee, Southern Union Gas Co. Operator
5. SF 080724, Southern Union Gas Co., Lessee and Operator
6. SF 080781 Aztec Oil and Gas Co., Lessee and Operator
7. E-6515 (State Lease) The Texas Company Lessee and Operator
8. E-3149 (State Lease) The Texas Company Lessee and Operator
9. E-9668 (State Lease) Stanolind O&G Lessee and Operator
10. B-10644-8 (State Lease) O. C. Beck Box 703 Wilmington, Calif., Operator and Lessee
11. B-10644-37 (State Lease) C. E. Mitcham, Box 432, Albuquerque, N.M. Lessee and Operator

NEW MEXICO
OIL CONSERVATION COMMISSION

Form C-128

Well Location and/or Gas Proration Plat

Date February 6, 1956

Operator Kutz Canon Oil & Gas Co. Lease SF-047039 B

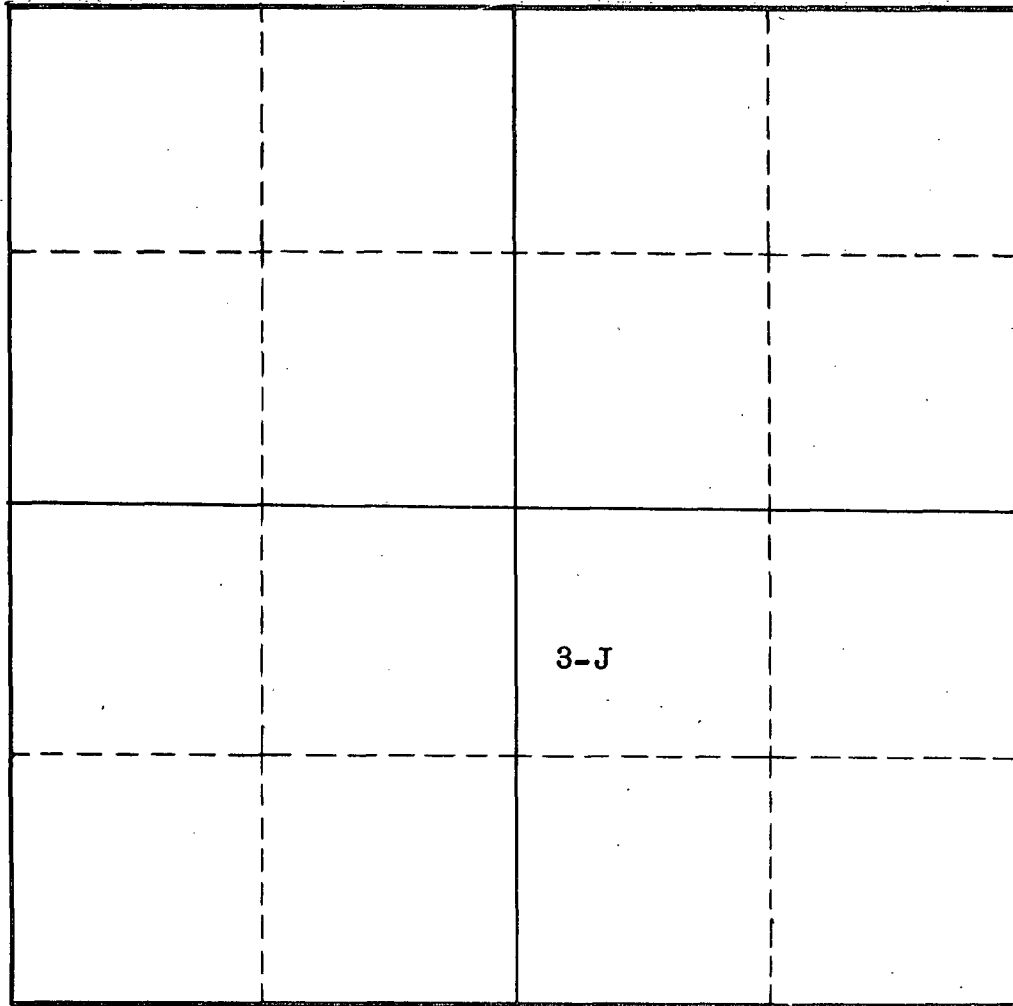
Well No. 3-J Section 8 Township 28 North Range 10 West NMPM

Located 1210 Feet From South Line, 1350 Feet From East Line,

San Juan County County, New Mexico. G. L. Elevation 5820.9

Name of Producing Formation Pictured Cliff Pool Fulcher-Kutz Dedicated Acreage 127.74

(Note: All distances must be from outer boundaries of Section)



SCALE: 1"=1000'

1. Is this Well a Dual Comp. ? Yes ___ No x.
2. If the answer to Question 1 is yes, are there any other dually completed wells within the dedicated acreage? Yes ___ No ___.

This is to certify that the above plat was prepared from field notes of actual surveys made by me or under my supervision and that the same are true and correct to the best of my knowledge and belief.

Name J. F. Seaton
Position Vice President
Representing Kutz Canon Oil & Gas Co.
Address 631 U. S. National Bank Bldg.,
Denver, Colorado

Date Surveyed _____
Registered Professional Engineer and/or
Land Surveyor

COMPANY KUTZ CANYON OIL AND GAS COMPANY

Well Name & No. 3-I. Lease No. 37-047039-B

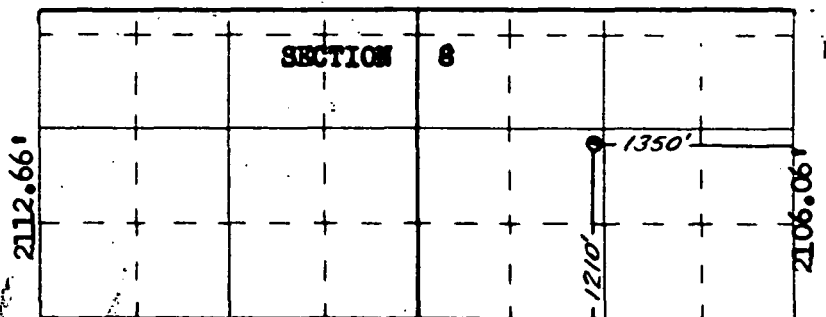
Location 1210' FROM THE SOUTH LINE AND 1350' FROM THE EAST LINE.

Being in NE SW SE

Sec. 8, T28 N., R10 W., N.M.P.M., SAN JUAN COUNTY, NEW MEXICO

Ground Elevation 5820.9 UNGRADED GROUND.

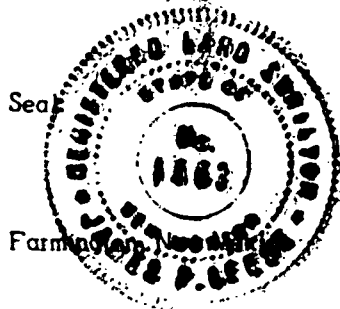
RECEIVED
OCT 10 1955
U. S. GEOLOGICAL SURVEY
FARMINGTON, NE



Scale -- 4 inches equals 1 mile

Surveyed 27 SEPTEMBER, 1955

This is to certify that the above plat was prepared from field notes of actual surveys made by me or under my supervision and that the same are true and correct to the best of my knowledge and belief.



James P. Leese

JAMES P. LEESE
REGISTERED LAND SURVEYOR
N. MEX. REG. NO. 1463

Kutz Canon Oil & Gas Co.

PROPERTIES
SAN JUAN BASIN

OFFICE OF THE COMPANY
TRANSFER OFFICE
U. S. NATIONAL BANK BUILDING
DENVER, COLO.

DENVER 2, COLORADO

February 7, 1956

El Paso Natural Gas Co.,
P. O. Box 1492
El Paso, Texas

Re: SE $\frac{1}{4}$, S.8, T28N, R10W
San Juan Co., N.Mex.

Gentlemen:


Kutz Canon Oil and Gas Company has drilled upon the tract described as the SE $\frac{1}{4}$ of Section 8, Township 28 North, Range 10 West, a well to the Pictured Cliff Formation, which well resulted in the discovery of gas. The tract, because of a variation in the legal subdivision arising out of the survey of the land, consists of 127.74 acres.

The rules of the Oil Conservation Commission of the State of New Mexico, require as a part of the application of Kutz Canon Oil and Gas Company for approval of the tract as a non-standard pro ration unit, that notice be given you as one of the operators of the acreage offsetting the SE $\frac{1}{4}$ of Section 8, Township 28 North, Range 10 West. Accordingly, notice is given to you as the operator of the tracts described as SW $\frac{1}{4}$, Section 8, Township 28 North, Range 10 West, and NW $\frac{1}{4}$, Section 17, Township 28 North, Range 10 West.

Very truly yours,

KUTZ CANON OIL & GAS CO.

By


Vice President

Kutz Canon Oil & Gas Co.

PROPERTIES
SAN JUAN BASIN

OFFICE OF THE COMPANY
TRANSFER OFFICE
U. S. NATIONAL BANK BUILDING
DENVER, COLO.

February 7, 1956

DENVER 2, COLORADO

Byrd Frost Oil and Gas Co.,
Corrigan Tower Bldg.,
Dallas 1, Texas

Gentlemen:

Re: SE $\frac{1}{4}$, S.8, T28N, R10W
San Juan Co., N.Mex.

Kutz Canon Oil and Gas Company has drilled upon the tract described as the SE $\frac{1}{4}$ of Section 8, Township 28 North, Range 10 West, a well to the Pictured Cliff Formation, which well resulted in the discovery of gas. The tract, because of a variation in the legal subdivision arising out of the survey of the land, consists of 127.74 acres.

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Very truly yours,

KUTZ CANON OIL AND GAS CO.

By


Vice President.

Kutz Canon Oil & Gas Co.

PROPERTIES
SAN JUAN BASIN

OFFICE OF THE COMPANY
TRANSFER OFFICE
U. S. NATIONAL BANK BUILDING
DENVER, COLO.

DENVER 2, COLORADO

February 7, 1956

Three States Natural Gas Co.,
Corrigan Tower Bldg.,
Dallas 1, Texas

Re: SE $\frac{1}{4}$, S.8, T28N, R10W
San Juan Co., N.Mex.

Gentlemen:

Kutz Canon Oil and Gas Company has drilled upon the tract described as the SE $\frac{1}{4}$ of Section 8, Township 28 North, Range 10 West, a well to the Pictured Cliff Formation, which well resulted in the discovery of gas. The tract, because of a variation in the legal subdivision arising out of the survey of the land, consists of 127.74 acres.

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Very truly yours,

KUTZ CANON OIL & GAS CO.

By


Vice President

Kutz Canon Oil & Gas Co.

PROPERTIES
SAN JUAN BASIN

OFFICE OF THE COMPANY
TRANSFER OFFICE
U. S. NATIONAL BANK BUILDING
DENVER, COLO.

DENVER 2, COLORADO

February 7, 1956

P. B. English,
P. B. English Estate
Farmington, New Mexico

Gentlemen:

Re: SE $\frac{1}{4}$, S.8, T28N, R10W
San Juan Co., N.Mex.

Kutz Canon Oil and Gas Company has drilled upon the tract described as the SE $\frac{1}{4}$ of Section 8, Township 28 North, Range 10 West, a well to the Pictured Cliff Formation, which well resulted in the discovery of gas. The tract, because of a variation in the legal subdivision arising out of the survey of the land, consists of 127.74 acres.

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Very truly yours,

KUTZ CANON OIL & GAS CO.

By


Vice President

Kutz Canon Oil & Gas Co.

PROPERTIES
SAN JUAN BASIN

OFFICE OF THE COMPANY
TRANSFER OFFICE
U. S. NATIONAL BANK BUILDING
DENVER, COLO.

DENVER 2, COLORADO

February 7, 1956

Dorothy Dillon Sapp,
c/o Western Natural Gas Co.,
National Standard Building
Houston 2, Texas

Re: SE $\frac{1}{4}$, S. 8, T28N, R10W
San Juan Co., N. Mex.

Dear Madam:

Kutz Canon Oil and Gas Company has drilled upon the tract described as the SE $\frac{1}{4}$ of Section 8, Township 28 North, Range 10 West, a well to the Pictured Cliff Formation, which well resulted in the discovery of gas. The tract, because of a variation in the legal subdivision arising out of the survey of the land, consists of 127.74 acres.

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Very truly yours,

KUTZ CANON OIL & GAS CO.

By

John Heston
Vice President

Kutz Canon Oil & Gas Co.

PROPERTIES
SAN JUAN BASIN

OFFICE OF THE COMPANY
TRANSFER OFFICE
U. S. NATIONAL BANK BUILDING
DENVER, COLO.

DENVER 2, COLORADO

February 7, 1956

Stanolind Oil & Gas Co.,
Box 591
Tulsa, Oklahoma

Gentlemen:

Re: SE $\frac{1}{4}$, S. 8, T28N, R10W
San Juan Co., N. Mex.

Kutz Canon Oil and Gas Company has drilled upon the tract described as the SE $\frac{1}{4}$ of Section 8, Township 28 North, Range 10 West, a well to the Pictured Cliff Formation, which well resulted in the discovery of gas. The tract, because of a variation in the legal subdivision arising out of the survey of the land, consists of 127.74 acres.

The rules of the Oil Conservation Commission of the State of New Mexico, require as a part of the application of Kutz Canon Oil and Gas Company for approval of the tract as a non-standard pro ration unit, that notice be given you as one of the operators of the acreage offsetting the SE $\frac{1}{4}$ of Section 8, Township 28 North, Range 10 West. Accordingly, notice is given to you as the operator of the tract described as NW $\frac{1}{4}$, Section 17, Township 28 North, Range 10 West.

Very truly yours,

KUTZ CANON OIL & GAS CO.

By


Vice President

Kutz Canon Oil & Gas Co.

PROPERTIES
SAN JUAN BASIN

OFFICE OF THE COMPANY
TRANSFER OFFICE
U. S. NATIONAL BANK BUILDING
DENVER, COLO.

DENVER 2, COLORADO

February 7, 1956

Western Natural Gas Co.,
National Standard Bldg.,
Houston 2, Texas

Gentlemen:

Re: SE $\frac{1}{4}$, S.8, T28N, R10W
San Juan Co., N.Mex.

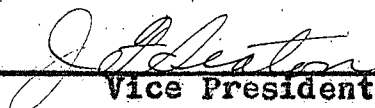
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Very truly yours,

KUTZ CANON OIL & GAS CO.

By


Vice President

Kutz Canon Oil & Gas Co.

PROPERTIES
SAN JUAN BASIN

OFFICE OF THE COMPANY
TRANSFER OFFICE
U. S. NATIONAL BANK BUILDING
DENVER, COLO.

DENVER 2, COLORADO

February 7, 1956

Aztec Oil and Gas Co.,
Burt Building,
Dallas, Texas

Gentlemen:

Re: SE $\frac{1}{4}$, S.8, T28N, R10W
San Juan Co., N.Mex.

Kutz Canon Oil and Gas Company has drilled upon the tract described as the SE $\frac{1}{4}$ of Section 8, Township 28 North, Range 10 West, a well to the Pictured Cliff Formation, which well resulted in the discovery of gas. The tract, because of a variation in the legal subdivision arising out of the survey of the land, consists of 127.74 acres.

The rules of the Oil Conservation Commission of the State of New Mexico, require as a part of the application of Kutz Canon Oil and Gas Company for approval of the tract as a non-standard pro ration unit, that notice be given you as one of the operators of the acreage offsetting the SE $\frac{1}{4}$ of Section 8, Township 28 North, Range 10 West. Accordingly, notice is given to you as the operator of the tract described as NW $\frac{1}{4}$, Section 16, Township 28 North, Range 10 West.

Very truly yours,

KUTZ CANON OIL & GAS CO.

By


Vice President

Kutz Canon Oil & Gas Co.

PROPERTIES
SAN JUAN BASIN

OFFICE OF THE COMPANY
TRANSFER OFFICE
U. S. NATIONAL BANK BUILDING
DENVER, COLO.

DENVER 2, COLORADO

February 7, 1956

Southern Union Gas Co.,
Burt Building,
Dallas, Texas

Re: SE $\frac{1}{4}$, S.8, T28N, R10W
San Juan Co., N.Mex.

Gentlemen:

Kutz Canon Oil and Gas Company has drilled upon the tract described as the SE $\frac{1}{4}$ of Section 8, Township 28 North, Range 10 West, a well to the Pictured Cliff Formation, which well resulted in the discovery of gas. The tract, because of a variation in the legal subdivision arising out of the survey of the land, consists of 127.74 acres.

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Very truly yours,

KUTZ CANON OIL & GAS CO.

By


Vice President

Kutz Canon Oil & Gas Co.

PROPERTIES
SAN JUAN BASIN

OFFICE OF THE COMPANY
TRANSFER OFFICE
U. S. NATIONAL BANK BUILDING
DENVER, COLO.

DENVER 2, COLORADO

February 7, 1956

E. C. Mitcham
Box 432
Albuquerque, N. Mex.

Re: SE $\frac{1}{4}$, S.8, T28N, R10W
San Juan Co., N.Mex.

Dear Sir:

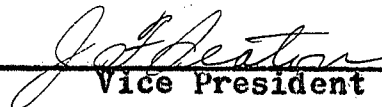
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Very truly yours,

KUTZ CANON OIL & GAS CO.

By


Vice President

Kutz Canon Oil & Gas Co.

PROPERTIES
SAN JUAN BASIN

OFFICE OF THE COMPANY
TRANSFER OFFICE
U. S. NATIONAL BANK BUILDING
DENVER, COLO.

DENVER 2, COLORADO

February 7, 1956

O. C. Beck
Box 703
Wilmington, Calif.

Re: SE $\frac{1}{4}$, S.8, T28N, R10W
San Juan Co., N.Mex.

Dear Sir:

Kutz Canon Oil and Gas Company has drilled upon the tract described as the SE $\frac{1}{4}$ of Section 8, Township 28 North, Range 10 West, a well to the Pictured Cliff Formation, which well resulted in the discovery of gas. The tract, because of a variation in the legal subdivision arising out of the survey of the land, consists of 127.74 acres.

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Very truly yours,

KUTZ CANON OIL & GAS CO.

By


Vice President

Kutz Canon Oil & Gas Co.

PROPERTIES
SAN JUAN BASIN

OFFICE OF THE COMPANY
TRANSFER OFFICE
U. S. NATIONAL BANK BUILDING
DENVER, COLO.

DENVER 2, COLORADO

February 7, 1956

Mr. E. P. Munson,
Texas Company,
Box 1720
Fort Worth, Texas

Re: SE $\frac{1}{4}$, S.8, T28N, R10W
San Juan Co., N.Mex.

Gentlemen:

Kutz Canon Oil and Gas Company has drilled upon the tract described as the SE $\frac{1}{4}$ of Section 8, Township 28 North, Range 10 West, a well to the Pictured Cliff Formation, which well resulted in the discovery of gas. The tract, because of a variation in the legal subdivision arising out of the survey of the land, consists of 127.74 acres.

The rules of the Oil Conservation Commission of the State of New Mexico, require as a part of the application of Kutz Canon Oil and Gas Company for approval of the tract as a non-standard pro ration unit, that notice be given you as one of the operators of the acreage offsetting the SE $\frac{1}{4}$ of Section 8, Township 28 North, Range 10 West. Accordingly, notice is given to you as the operators of the tract described as S $\frac{1}{2}$ SW $\frac{1}{4}$, Section 32, Township 29 North, Range 10 West.

Very truly yours,

KUTZ CANON OIL & GAS CO.

By



Vice President