

Case 881

SOUTHERN UNION GAS COMPANY
BURT BUILDING
DALLAS 1, TEXAS

LEGAL DEPARTMENT
WILLIS L. LEA, JR.
GENERAL ATTORNEY

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,



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,



ASG:ek

encls.

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 abovedescribed 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 *asp*

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

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 CONTIGUOUS 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 above-described 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 25th day of April, 1955.



Notary Public in and for
Dallas County, Texas

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

My Commission Expires:

June 1, 1955