

COMPASS EXPLORATION, INC.
1645 COURT PLACE
DENVER 2, COLORADO

September 19, 1960



El Paso Natural Gas Company
1006 Main Street
Houston 2, Texas

Attention: Mr. D. R. Wadlington

Re: Gas Purchase Agreement
August 17, 1960
W/2 Sec. 35-30N-14W
San Juan County, New Mexico

Gentlemen:

In accordance with the provisions of Article 11 of the subject gas purchase agreement, we enclose herewith a copy of a letter from the Secretary of the Federal Power Commission, Washington, D. C., dated September 9, 1960, referring to Docket No. CI-61-299. This letter constitutes the requisite authorization to commence the sale of gas from the lands dedicated under our gas purchase agreement.

We will greatly appreciate your expediting the connecting our #1-35 Aztec well, in accordance with our previous discussions. We also enclose for your files a copy of the Supplemental Agreement between Aztec Oil & Gas Company and Southern Union Gas Company dated August 12, 1960, wherein Southern Union releases from the natural gas contract of December 12, 1953, the Dakota formation under Lots 3 and 4, N/2 SW/4, and NE/4 of Section 35, Township 30 North, Range 14 West.

Yours very truly,

COMPASS EXPLORATION, INC.

George Aubrey
George Aubrey
President

GA/lo

cc: Aztec Oil & Gas Company
New Mexico Oil Conservation Commission

COMPASS EXPLORATION, INC.
1000 EXPLORATION BLVD
DENVER, COLORADO



Handwritten signature or initials.

FEDERAL POWER COMMISSION
WASHINGTON 25Docket No. CI-62-211
Compass Exploration, Inc.

AIR MAIL

Compass Exploration, Inc.
1445 Capital Plaza
Dallas, Texas 75201

ATTENTION: Mr. J. H. ...

SEP - 9 1960

G-42-111
Your statement, filed pursuant to Section 157.28(c)(1) of the Commission's Regulations, of your intention to invoke said Section and initiate the service proposed in the certificate application, Docket No. CI-62-211 is hereby accepted.

You are also advised that the related rate schedule, identified by your statement pursuant to Section 157.28(c)(2) of the Regulations and listed at the bottom of this letter, has been accepted for filing to be effective on the date of initial delivery. Please advise this Commission of the date of initial delivery of gas thereunder. This acceptance of the rate schedule for temporary service is no assurance that it will be accepted by the Commission for permanent service.

In the event that any of the documents comprising the listed rate schedule contains provisions for future automatic adjustments in rates and charges based upon new or increased taxes, prices paid for gas by or to others, price redetermination provisions, or any similar provision, your attention is directed to the fact that such provisions, when invoked to change the effective rates and charges, will constitute a change in such rates and charges within the meaning of Section 4(d) of the Natural Gas Act and Section 154.94 of the Commission's Regulations under such Act. The Act and the Commission's Regulations require that such changes be filed with the Commission not more than 90 days nor less than 30 days prior to the proposed effective date thereof.

This acceptance for filing shall not be construed as constituting approval of any rate, charge, classification, or any rule, regulation or practice affecting such rate or service contained in the rate filing; nor shall such acceptance be deemed as recognition of any claimed contractual right or obligation associated therewith; and such acceptance is without prejudice to any findings or orders which may be made in the final disposition of this proceeding or any other findings or orders which have been or may hereafter be made by the Commission in any proceeding now pending or hereafter instituted by or against your company.

In future correspondence with the Commission concerning the rate schedule listed below, please refer to the FPC Gas Rate Schedule designation furnished you herewith, including the name of the independent producer and the rate schedule and supplement numbers.

This constitutes all requisite temporary authorization to commence the sale of gas, but such authorization and acceptance of the rate schedule are without prejudice to such final disposition of the certificate application as the record may require and, furthermore, once service is commenced under this authorization it may not be discontinued without permission of the Commission issued pursuant to the provisions of the Natural Gas Act.

Very truly yours,

Secretary

Rate Schedule Designation
Compass Exploration, Inc.

<u>Description of Document</u>	<u>Date of Letter of Transmittal</u>	<u>FPC Gas Rate Schedule No.</u>	<u>Supplement No.</u>
Contract 8-17-60	8-22-60	3	-