

GOVERNOR JOHN F. SIMMS
CHAIRMAN

MAIN OFFICE OCC

New Mexico
OIL CONSERVATION COMMISSION

1956 JUN 4 AM
LAND COMMISSIONER E. S. WALKER
MEMBER

STATE GEOLOGIST W. B. MACEY
SECRETARY - DIRECTOR



BOX 697
AZTEC, NEW MEXICO

June 1, 1956

NSP-177

due 6/27/56

Oil Conservation Commission
Box 871
Santa Fe, New Mexico

Att: Mr. Warren Mankin

Dear Warren:

Reference is made to the application of the Lowry Oil Company for approval of a non-standard unit consisting of the N/2 NE/4 and the SW/4 NE/4 Section 20-26N-6W.

As the acreage is within the boundaries of the NE/4 Section 20 and as the owner of the SE/4 NE/4 has been notified of the application I see no reason why it cannot be given administrative approval under Order R-128, Rule 1, Paragraph D.

Yours very truly

Emery C. Arnold
Supervisor, District #3

ECA:ks

MAIN OFFICE OCC

1956 MAY 28 AM 11:59 BEFORE THE OIL CONSERVATION COMMISSION

OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
LOWRY, ET AL., OPERATING ACCOUNT,
FOR APPROVAL OF A NON-STANDARD PRO-
PORTION UNIT CONSISTING OF THE N/2
NE/4, SW/4 NE/4 OF SECTION 20, T.
26 N., R. 6 W., N.M.P.M., SOUTH
BLANCO-PICTURED CLIFFS GAS POOL.

APPLICATION

Comes now Lowry, et al., Operating Account, and respectfully requests the Commission for administrative approval of a non-standard proration unit consisting of the N/2 NE/4, and the SW/4 NE/4, Section 20, Township 26 North, Range 6 West, N.M.P.M., pursuant to Rule 6 (B) of Order No. R-565-C, South Blanco-Pictured Cliffs Pool rules, and in support thereof, states:

1. That the applicant is present owner of all operating rights in the proposed non-standard unit.
2. The proposed non-standard unit consists of less than 160 acres.
3. The proposed non-standard unit consists of contiguous quarter-quarter sections, and lies wholly within Section 20, T. 26 N., R. 6 W.
4. That the entire non-standard unit may reasonably be presumed to be productive of gas.
5. That applicant has been unable to communitize its acreage with that held by others in order to form a standard unit.
6. That applicant has heretofore drilled its Kaime No. 1 well, located in the SE/4 NW/4 NE/4 of Section 20, which well has been completed and is productive of gas from the Pictured Cliffs formation.
7. That applicant has on May 28th, 1956, notified operators owning interests in said Section 20, and offset operators, of

applicant's intent to form such non-standard unit, and requesting waivers therefor by sending copies of this application, via registered mail, to:

El Paso Natural Gas Company
Ed. W. Cannedy
Frank W. Young
Pubco Development Company

OK 6/7/56

8. Copy of a plat reflecting well location and acreage dedicated to said well is attached hereto and made a part hereof.

Wherefore, applicant requests approval of a non-standard gas proration unit as applied for by administrative action, or that this matter be set for hearing before an examiner in accordance with the rules and regulations of the Commission, and for such other and further relief as may be proper.

Respectfully submitted,
Lowry, et al., Operating Account

By Jason W. Kellahin
Attorney

Jason W. Kellahin
Santa Fe, New Mexico

STATE OF NEW MEXICO)
 : ss
COUNTY OF SANTA FE)

Comes now Jason W. Kellahin, attorney for applicant, and upon being duly sworn on oath, deposes and says that he has read and understands the foregoing application; that he is credibly informed and believes that the contents thereof are true; and that he makes this verification for the reason that applicant is outside the county wherein said attorney resides.

Jason W. Kellahin

Subscribed and sworn to before me this 25th day of May, 1956.

Robert E. Gray
Notary Public

My commission expires:

May 28, 1956

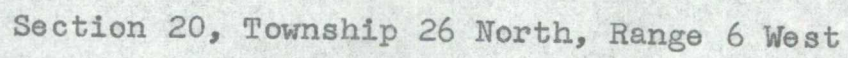


EXHIBIT A

NSP-177
MAIN OFFICE PUBLIC PETROLEUM CORPORATION

BOX 1419

1956 JUN 7 AM 8:12 ALBUQUERQUE, NEW MEXICO

TELEPHONE 7-8836
7-8837

June 6, 1956

Re: Application of Lowry, et al,
Operating Account, for Approval
of a Non-Standard Proration Unit
Consisting of the $N\frac{1}{2}NE\frac{1}{4}$, $SW\frac{1}{4}NE\frac{1}{4}$
of Section 20, Township 26 North,
Range 6 West, N.M.P.M., South
Blanco-Pictured Cliffs Gas Pool

Oil Conservation Commission
State of New Mexico
Post Office Box 871
Santa Fe, New Mexico

Gentlemen:

With regard to the captioned, this is to advise
that this company has no objection to the subject non-standard
proration unit.

Very truly yours,



F. G. Daniell
Land Manager

FGD:tp

cc: Mr. Jason W. Kellahin

MAIN OFFICE OCC

1956 JUL 11 AM 8:10

July 10, 1956

Mr. R. L. Hamblin
Lease Department
El Paso Natural Gas Company
El Paso, Texas

Re: Non-Standard Proration Unit,
Section 20, 26 N., 6 W.

Dear Mr. Hamblin:

The proration unit applied for by Lowry, et al., has been approved by the Oil Conservation Commission, no protest having been filed thereto within thirty days from the application.

In connection with your letter of July 6, 1956, you state that El Paso has no interest in the SE/4, SE/4 of Section 20. While I do not think this has any bearing on Lowry's non-standard unit since you do not object to such unit, I felt I should call your attention to the fact that our information was taken from the plat filed by El Paso Natural Gas Company with the Oil Conservation Commission on February 25, 1955. This plat shows 160 acres dedicated to your Sanchez No. 1 Well located in the SE/4 of Section 20, the acreage consisting of two leases. Lease No. SF 079302-A covers the SW/4 of the SE/4, and No. SF 079304-A covers the remainder of the SE/4 of Section 20, according to this plat. It was the confusion over this situation which lead Lowry to file its original application for a non-standard, 160-acre unit which would have included their land in the SE/4 of the NW/4. Mr. Ben Howell objected informally to this and the application was withdrawn.

I am forwarding your letter to Lowry Oil Company and feel sure that they will consult with you before anything is done regarding the SE/4 of the NW/4.

Yours very truly,

Jason W. Kellahin

JWK:lb

cc: Oil Conservation Commission ✓

Mr. Art Holland

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

July 10, 1956

El Paso Natural Gas Company
P. O. Box 997
Farmington, New Mexico

Re: El Paso Natural Gas Sanchez No. 1
Sec. 20-26N-6W, San Juan County,
New Mexico.

Gentlemen:

A letter dated July 6, 1956 was written by your Mr. R. L. Hamblin to Mr. Jason Kellahin, Attorney for Lowry Operating Account, with a copy furnished this office, regarding an NSP of Lowry's in Sec. 20, Township 26 North, Range 6 West, San Juan County, New Mexico. This non-standard unit was issued as NWU-177 on June 27, 1956 for their Kaimé Well No. 1.

Mr. Hamblin's letter indicated that El Paso Natural Gas Company did not own the SE/4 SE/4 of said Section 20. However, it is noted that on Form C-128 submitted by El Paso Natural Gas Company on February 25, 1955 for its Sanchez Well No. 1, that it claimed all of the SE/4 of said Section 20. The current gas schedule carries this well as a 160-acre standard gas unit in the South Blanco-Pictured Cliffs Gas Pool with El Paso Natural Gas as the purchaser.

Please submit a request for a non-standard gas proration unit for your Sanchez Well No. 1, if you do not now claim the entire SE/4 of said Section 20.

Very truly yours,

A. L. Porter, Jr.
Secretary-Director

ALP:jh

cc: Oil Conservation Commission, Aztec
U. S. G. S., Farmington

C
O
P
Y

*EPNG answered
on 7/12 (letter)
in well file
that they
are a non-
standard
unit
of El Paso
Nat. Gas Co.
w/ Ed Conrad
w/ing*

MAIN OFFICE OCC

El Paso Natural Gas Company

El Paso, Texas

1955 JUL 9 AM 8:26

July 6, 1956

NWU-177

Mr. Jason W. Kellahin
Attorney at Law
Post Office Box 597
Santa Fe, New Mexico

In Re: Non-Standard Proration Unit
N/2 NE/4, SW/4 NE/4 of Section 20,
Township 26 North, Range 6 West,
San Juan County, New Mexico

Dear Mr. Kellahin:

El Paso Natural Gas Company has no objection to the formation of or the granting of a Non-Standard Proration Unit consisting of the N/2 NE/4 SW/4 NE/4 of Section 20, Township 26 North, Range 6 West, San Juan County, New Mexico. We have received a copy of the Application of Lowry, Et Al., to the Oil Conservation Commission asking for administrative approval of this Non-Standard Proration Unit.

We note, however, that on the plat attached to this Application you show El Paso as owning the SE/4 SE/4 of Section 20. El Paso has no interest in the SE/4 SE/4 of Section 20 but your plat is correct as to the remaining acreage owned by El Paso in this section. We note that Lowry Et Al, has the SE/4 NW/4 of Section 20. El Paso has the remaining 120 acres in the NW/4 of Section 20 and would definitely be concerned in the drilling of any Pictured Cliffs well in the NW/4.

We do not have any present plans to drill any Pictured Cliffs well in the NW/4 of Section 20 nor do we know whether our geologists would recommend the drilling of a Pictured Cliffs well in the NW/4 of Section 20, but in the event that Lowry has any desires or any intention of drilling a Pictured Cliffs well in the NW/4 of Section 20 we would, of course, expect to be consulted and would attempt to cooperate with Lowry, Et Al., in the formation of any drilling unit in the NW/4 of Section 20.

Yours very truly,

R. L. Hamblin

R. L. Hamblin, Manager
Lease Department

RLH:ha

cc-Oil Conservation Commission
Santa Fe, New Mexico
T. W. Bittick
J. C. Vandiver

COPY