

COPY

SOUTHERN UNION GAS COMPANY

Burt Building  
DALLAS 1, TEXAS

March 28, 1955

The Texas Company  
Fort Worth, Texas

Gentlemen:

This is to advise that Southern Union Gas Company is this day mailing for filing with the New Mexico Oil Conservation Commission an 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 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. The location of the well recently completed on the proposed unit, the Southern Union-Zachry #1, is 990 feet north of the south line and 1650 feet east of the west line of said fractional Section 12. We give you this advice since, according to our records, you own an interest in certain acreage offsetting the unit proposed.

If you have no objection to establishment of the abovedescribed non-standard unit, we will appreciate your promptly so advising us by return mail. If, on the other hand, you wish to object to such unit, you should give written notice to that effect to the Commission, with a copy also sent to us, within 20 days after the date of this letter.

Very truly yours,

SOUTHERN UNION GAS COMPANY

By J. C. Davis  
Vice President

JCR:G

Via Registered Mail

COPY

SOUTHERN UNION GAS COMPANY

Burt Building  
DALLAS 1, TEXAS

March 28, 1955

Mr. Edwin T. Sunter  
2210 - 10th Street  
Berkeley, California

Dear Mr. Sunter:

This is to advise that Southern Union Gas Company is this day mailing for filing with the New Mexico Oil Conservation Commission an 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 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. The location of the well recently completed on the proposed unit, the Southern Union-Zachry #1, is 990 feet north of the south line and 1650 feet east of the west line of said fractional Section 12. We give you this advice since, according to our records, you own an interest in certain acreage offsetting the unit proposed.

If you have no objection to establishment of the abovedescribed non-standard unit, we will appreciate your promptly so advising us by return mail. If, on the other hand, you wish to object to such unit, you should give written notice to that effect to the Commission, with a copy also sent to us, within 20 days after the date of this letter.

Very truly yours,

SOUTHERN UNION GAS COMPANY

By J. C. Reid  
Vice President

JCR:G

Via Registered Mail

COPY

SOUTHERN UNION GAS COMPANY

Burt Building  
DALLAS 1, TEXAS

March 28, 1955

Pubco Development, Inc.  
P. O. Box 1360  
Albuquerque, New Mexico

Gentlemen:

This is to advise that Southern Union Gas Company is this day mailing for filing with the New Mexico Oil Conservation Commission an 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 a non-standard gas proration unit of 270.11 contiguous acres consisting of all of fractional Section 12, Township 26 North, Range 10 West, N.M.P.M., San Juan County, New Mexico. The location of the well recently completed on the proposed unit, the Southern Union-Zachry #1, is 990 feet north of the south line and 1650 feet east of the west line of said fractional Section 12. We give you this advice since, according to our records, you own an interest in certain acreage offsetting the unit proposed.

If you have no objection to establishment of the abovedescribed non-standard unit, we will appreciate your promptly so advising us by return mail. If, on the other hand, you wish to object to such unit, you should give written notice to that effect to the Commission, with a copy also sent to us, within 20 days after the date of this letter.

Very truly yours,

SOUTHERN UNION GAS COMPANY

By J. C. Reid  
Vice President

JCR:G

Via Registered Mail

COPY

SOUTHERN UNION GAS COMPANY

Burt Building  
DALLAS 1, TEXAS

March 28, 1955

Harold Kogan  
345 - 15th Avenue  
San Francisco, California

Dear Mr. Kogan:

This is to advise that Southern Union Gas Company is this day mailing for filing with the New Mexico Oil Conservation Commission an 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 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. The location of the well recently completed on the proposed unit, the Southern Union-Zachry #1, is 990 feet north of the south line and 1650 feet east of the west line of said fractional Section 12. We give you this advise since, according to our records, you own an interest in certain acreage offsetting the unit proposed.

If you have no objection to establishment of the abovescribed non-standard unit, we will appreciate your promptly so advising us by return mail. If, on the other hand, you wish to object to such unit, you should give written notice to that effect to the Commission, with a copy also sent to us, within 20 days after the date of this letter.

Very truly yours,

SOUTHERN UNION GAS COMPANY

By J. C. Reid  
Vice President

JCR:G

Via Registered Mail

COPY

SOUTHERN UNION GAS COMPANY

Burt Building  
DALLAS 1, TEXAS

March 28, 1955

Aztec Oil & Gas Company  
920 Mercantile Securities Building  
Dallas 1, Texas

Gentlemen:

Enclosed herewith is a copy of the application being mailed today by Southern Union Gas Company for filing with the New Mexico Oil Conservation Commission, requesting an order of the Commission granting approval of 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.

At your earliest convenience, we will much appreciate your advising the Commission in writing of your concurrence in the proposals set forth in the enclosed application, and of your willingness to enter into the arrangements contemplated by paragraph (6).

Very truly yours,

SOUTHERN UNION GAS COMPANY

By J. C. Reid  
Vice President

JCR:G  
Encl.  
Via Registered Mail

Enc 887

AZTEC OIL & GAS COMPANY

920 MERCANTILE SECURITIES BUILDING

DALLAS 1, TEXAS

VAN THOMPSON  
EXECUTIVE VICE PRESIDENT

March 29, 1955

Oil Conservation Commission  
of the State of New Mexico  
Santa Fe, New Mexico

Attention: Mr. W. B. Macey

Gentlemen:

Reference is made to the application of Southern Union Gas Company filed with the Commission or or about March 28, 1955, 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 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, on which the Southern Union-Zachry No. 1 gas well is located. As stated in paragraph 6 of Southern Union's application, Aztec Oil & Gas Company is the owner of the leasehold interest in Lot 1 of Section 12, containing 27.29 acres, more or less.

Aztec Oil & Gas Company concurs in the application of Southern Union Gas Company and is willing to enter into arrangements with said company to provide for the communitization of the oil and gas leases embracing Section 12.

Yours very truly,

AZTEC OIL & GAS COMPANY

By Van Thompson  
Vice President

VT:D:nl

cc - Southern Union Gas Company

Case 887

100-1000-100

100-1000-100

April 1, 1955

**NON-STANDARD GAS UNIT**  
**Astec-Pictured Cliffs Gas Pool**  
**San Juan County, New Mexico**

Southern Union Gas Company  
Burt Building  
Dallas 1, Texas

Attention: Mr. J. C. Reid, Vice-President

Gentlemen:

The Texas Company, as an offset leaseholder, has been informed of your application to the New Mexico Oil Conservation Commission for an order granting exception to Rule 6(A) of Order R-565 for the Astec-Pictured Cliffs Pool of San Juan County, New Mexico. The requested exception is for Southern Union's Zachry No. 1 in fractional Section 12, T-28-N, R-10-W, San Juan County, New Mexico. It was also noted that this well was just outside the horizontal limits of the subject field, as set out in Order R-565.

Our interpretation of Rule 6 (B) of Order R-565 is that the Commission is without authority to issue an administrative order where the requested unit is greater than 158 acres. A unit is requested of the entire fractional Section 12 of 270.11 acres.

The Texas Company has no objection to the formation of the requested 270.11-acre unit, but feels the Commission is without authority to approve the unit administratively under Rule 6(B) of Order R-565, and this request will require a public hearing for approval of the unit.

Yours very truly,

THE TEXAS COMPANY

/s/ L. F. SHIPLET  
Asst. Division Manager

-MFT  
cc-NMOCC  
Santa Fe, N.M.

COPY

SOUTHERN UNION GAS COMPANY

Burt Building

DALLAS 1, TEXAS

April 25, 1955

Mr. Harold Kogan  
345 15th Avenue  
San Francisco, California

Dear Mr. Kogan:

This is to advise you that Southern Union Gas Company is mailing today for filing with the New Mexico Oil Conservation Commission in Case No. 887 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 a nonstandard drilling and gas production unit of 202.82 contiguous acres consisting of the  $W\frac{1}{2}$  and the  $W\frac{1}{2}E\frac{1}{2}$  of fractional Section 12, Township 28 North, Range 10 West, San Juan County, New Mexico. We give you this advice since, according to our records, you own an interest in certain acreage offsetting the unit proposed.

This is the same matter concerning which we wrote you on March 28, 1955, at which time we were proposing a 270.11 acre unit consisting of all of Section 12.

Although you have already written us stating that you had no objection to the unorthodox unit as originally proposed, we will also appreciate a letter from you indicating your concurrence in establishment of the smaller unit proposed by our amended application. A copy of our amended application is enclosed for your information.

Very truly yours,

SOUTHERN UNION GAS COMPANY

By /s/ J. C. Reid  
Vice President

JCR:G:ek  
encl.

REGISTERED



COPY

SOUTHERN UNION GAS COMPANY

Burt Building

DALLAS 1, TEXAS

April 25, 1955

REGISTERED

Aztec Oil & Gas Company  
920 Mercantile Securities Bldg.  
Dallas 1, Texas

Gentlemen:

This is to advise you that Southern Union Gas Company is mailing today for filing with the New Mexico Oil Conservation Commission in Case No. 887 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 a nonstandard drilling and gas production unit of 202.82 contiguous acres consisting of the  $W\frac{1}{2}$  and the  $W\frac{1}{2}E\frac{1}{2}$  of fractional Section 12, Township 28 North, Range 10 West, San Juan County, New Mexico. We give you this advice since, according to our records, you own an interest in certain acreage offsetting the unit proposed.

This is the same matter concerning which we wrote you on March 28, 1955, at which time we were proposing a 270.11 acre unit consisting of all of Section 12.

Although you have already written us stating that you had no objection to the unorthodox unit as originally proposed, we will also appreciate a letter from you indicating your concurrence in establishment of the smaller unit proposed by our amended application. A copy of our amended application is enclosed for your information.

Very truly yours,

SOUTHERN UNION GAS COMPANY

By /s/ J. C. Reid  
Vice President

JCR:G:ek  
encl.

COPY

SOUTHERN UNION GAS COMPANY

Burt Building  
DALLAS 1, TEXAS  
April 25, 1955

The Texas Company  
P. O. Box 1720  
Fort Worth 1, Texas

Gentlemen:

This is to advise you that Southern Union Gas Company is mailing today for filing with the New Mexico Oil Conservation Commission in Case No. 887 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 a nonstandard drilling and gas production unit of 202.82 contiguous acres consisting of the  $W\frac{1}{2}$  and the  $W\frac{1}{2}E\frac{1}{2}$  of fractional Section 12, Township 28 North, Range 10 West, San Juan County, New Mexico. We give you this advice since, according to our records, you own an interest in certain acreage offsetting the unit proposed.

This is the same matter concerning which we wrote you on March 28, 1955, at which time we were proposing a 270.11 acre unit consisting of all of Section 12.

Although you have already written us stating that you had no objection to the unorthodox unit as originally proposed, we will also appreciate a letter from you indicating your concurrence in establishment of the smaller unit proposed by our amended application. A copy of our amended application is enclosed for your information.

Very truly yours,

SOUTHERN UNION GAS COMPANY

By /s/ J. C. Reid  
Vice President

JCR:G:ek  
encl.

REGISTERED

May 9, 1955

NON-STANDARD GAS UNIT  
Astec-Pictured Cliffs Gas Pool  
San Juan County, New Mexico

Southern Union Gas Company  
Burt Building  
Dallas 1, Texas

Attention: Mr. J. C. Reid, Vice-President

Gentlemen:

The Texas Company, as an offset leaseholder, has been informed of your amended application in Case #887 to the New Mexico Oil Conservation Commission for an order granting exception to Rule 6(A) of Order R-565 for the Astec-Pictured Cliffs Gas Pool of San Juan County, New Mexico. The requested exception is for Southern Union's Zachry No. 1 in fractional section 12, T-28N, R-10W, San Juan County, New Mexico.

The Texas Company has no objection to the formation of the requested 202.82 acre non-standard gas unit as requested in the amended Case No. 887. This is for the subject well above and acreage consists of the W/2 and W/2 E/2 of fractional section 12, T-28N, R-10W, Astec-Pictured Cliffs Gas Pool, San Juan County, New Mexico.

Yours very truly,

L. F. Shiplet  
Assistant Division Manager

WWM-MFT

cc-NMOCC ✓  
Santa Fe P.O. Box 871

b/c-SRL

AZTEC OIL & GAS COMPANY

920 MERCANTILE SECURITIES BUILDING  
DALLAS 1, TEXAS

May 10, 1955

Southern Union Gas Company  
1104 Burt Building  
Dallas 1, Texas

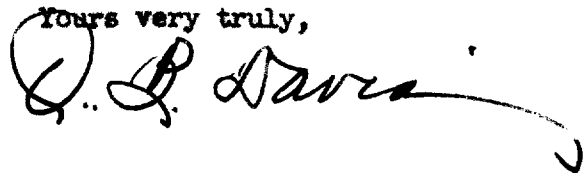
Attention: Mr. A. S. Grenier

Gentlemen:

Reference is made to your letter of April 25, 1955 advising us of your filing with the New Mexico Oil Conservation Commission an amended application, in Case No. 887 for an order of the Commission granting approval of an exception to Rule 6A of the Rules and Regulations for the Aztec-Pictured Cliffs Gas Pool, to permit the formation of a non-standard drilling and gas proration unit of 202.82 contiguous acres, consisting of the  $W\frac{1}{2}$  and the  $W\frac{1}{2}E\frac{1}{2}$  of fractional Section 12, Township 28 North, Range 10 West, N.M.P.M., San Juan County, New Mexico.

We have reviewed your amended application and Aztec Oil & Gas Company concurs in the establishment of the smaller unit proposed therein.

Yours very truly,



QBD:NL

cc - Mr. W. B. Macey ✓

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

October 19, 1955

Southern Union Gas Company  
Burt Building  
Dallas 1, Texas

Gentlemen:

We enclose a copy of Order R-701 and Order R-703 issued  
October 13, 1955, by the Oil Conservation Commission in Cases  
952 and 887 respectively.

Very truly yours,

W. B. Macey  
Secretary - Director

WBM:brp  
Enclosures (2)

C  
O  
P  
Y