

CLASS C SERVICE

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WESTERN UNION

TELEGRAM

W. P. MARSHALL, PRESIDENT

SYMBOLS

DL=Day Letter
NL=Night Letter
LT=International Letter Telegram

The filing time shown in the date line on domestic telegrams is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at destination.

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1955 MAY 17 PM 4 07

W B MACEY=

NEW MEXICO OIL CONSERVATION COMMISSION SANTA FE NMEX=

- CONCURS -

AZTEC OIL & GAS COMPANY CONCERNS IN THE APPLICATION OF THE COMMISSION, CASE 904, SEEKING TO ESTABLISH SIX UNORTHODOX GAS PRORATION UNITS ALONG THE NORTH LINE OF TOWNSHIP 28 NORTH, RANGE 9 WEST AND 10 WEST.

AZTEC OIL & GAS COMPANY QUILMAN B DAVIS GENERAL ATTORNEY=

904 28 9 10=

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

AZTEC OIL & GAS COMPANY

920 MERCANTILE SECURITIES BUILDING
DALLAS 1, TEXAS

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 on 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 Law Thompson
Vice President

VT:D:nl
cc - Southern Union Gas Company

THE TEXAS COMPANY

TEXACO PETROLEUM PRODUCTS



PRODUCING DEPARTMENT
WEST TEXAS DIVISION
L. F. SHIPLEY, ASSISTANT DIVISION MANAGER

P. O. BOX 1720
FORT WORTH 1, TEXAS

April 1, 1955

NON-STANDARD GAS UNIT
Aztec-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 Aztec-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,

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

Art Grenier

Harold Kogan
345-15th Ave.
San Francisco, Calif.

April 2, 1958

Southern Union Gas Co.
Burt Building
Dallas 1, Texas.

Gentlemen:

This will acknowledge receipt of your registered letter of March 28th with reference to your filing an application for a non-standard unit in Sec. 12, Tp 28N, Rge 10W, in San Juan County, New Mexico.

Since you state that the unit will consist of only all of the above described fractional unit, I have no objection to the establishment of such a unit.

Yours truly,


Harold Kogan

THE TEXAS COMPANY

TEXACO PETROLEUM PRODUCTS



PRODUCING DEPARTMENT
WEST TEXAS DIVISION
L. F. SHIPLEY, ASSISTANT DIVISION MANAGER

P. O. BOX 1720
FORT WORTH 1, TEXAS

May 9, 1955

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

Yours very truly,

WWM-MFT

cc-NMOCC
Santa Fe, N.M.

AZTEC OIL & GAS COMPANY

920 MERCANTILE SECURITIES BUILDING
DALLAS 1, TEXAS

QUILMAN B. DAVIS
SECRETARY AND GENERAL ATTORNEY

May 10, 1955

Southern Union Gas Company
1104 Burt Building
Dallas 1, Texas

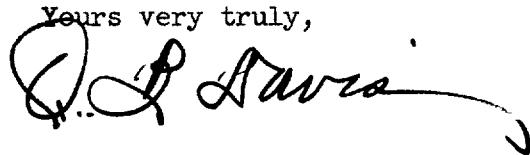
Attention: Mr. A. S. Grenier

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,

A handwritten signature in dark ink, appearing to read "Q. B. Davis", with a long, sweeping flourish extending to the right.

QBD:NL
cc - Mr. W. B. Macey