

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

Santa Fe, New Mexico

IN THE MATTER OF PETITION FOR ORDER )  
GRANTING EXCEPTION TO SECTION 1(C) )  
OF ORDER NO. 748 FIXING THE SPACING )  
OF WELLS IN THE KUTZ CANYON-FULCHER )  
BASIN GAS FIELDS IN SAN JUAN COUNTY, )  
NEW MEXICO. )

Case No. \_\_\_\_\_

SOUTHERN UNION PRODUCTION COMPANY,  
Petitioner

TO THE COMMISSION AND ITS HONORABLE MEMBERS:

This is a petition for an order of the Commission granting an exception to the spacing requirements of Section 1(c) of Order No. 748 fixing the spacing of wells in the Kutz Canyon-Fulcher Basin Gas Fields in San Juan County, New Mexico. Your Petitioner, Southern Union Production Company, a corporation authorized to transact business in New Mexico, maintains an office in Santa Fe at the corner of Marcy and Otero Streets and an office in Farmington.

Petitioner would show the Commission as follows:

1. That on September 17, 1948, Southern Union Production Company, Byrd-Frost, Inc., Western Natural Gas Company, Stanolind Oil and Gas Company, P. B. English, San Juan Basin Pool and G. T. Lackey entered into a communitization agreement pooling their respective interests in certain lands embraced by United States oil and gas leases Santa Fe 065546(b) and Santa Fe 078715 in order to form a cooperative drilling unit of 160 acres, substantially in the shape of a square, embracing the SE $\frac{1}{4}$  of Section 29, Township 28 North, Range 10 West, in San Juan County, New Mexico.
2. That Petitioner has been named and designated in said communitization agreement as Operator of the drilling unit.
3. That said lands are within the designated Pictured Cliff gas producing pool in the Kutz Canyon-Fulcher Basin area.
4. That because of the rugged terrain of a feasible location on the drilling unit it is desirable to locate the well 200 feet West of the boundary specified in Section 1(c) which, if permitted, will save Petitioner and its associates approximately \$1800 in location cost plus substantial operating cost.

5. That the proposed location for said well is 1650 feet North of the South line and 1850 feet West of the East line of Section 29, Township 28 North, Range 10 West, N.M.P.M., said location being 990 feet South of the North line and 790 feet East of the West line of the unit above described (a plat of the proposed location is attached hereto as Exhibit "A").

6. That the 160 acre drilling unit adjoining the western boundary of the unit hereinabove described is also held under the oil and gas leases and by the parties referred to in paragraph 1 of this petition.

7. That Section 2(c) of Order No. 748 authorizes the Commission to permit a drilling location not conforming to the requirements of Section 1 of said Order if it finds that because of the nature of the terrain, location of a well at a lesser distance from one of the outer boundaries of its drilling unit should be permitted.

WHEREFORE, Petitioner requests that the Commission, after notice and hearing as required by law and applicable regulations, enter its order granting permission to drill a well for oil and/or gas at the location above set forth.

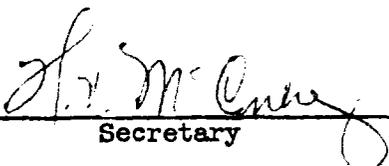
Petitioner hereby offers to supply such additional information concerning the subject matter of this application as is available to it.

Respectfully submitted,

SOUTHERN UNION PRODUCTION COMPANY

By   
Vice President

A T T E S T:

  
Secretary

VERIFICATION

STATE OF TEXAS )  
                  )  
COUNTY OF DALLAS )

Before me, a Notary Public in and for Dallas County, Texas, personally appeared J. C. Reed, Vice President of SOUTHERN UNION PRODUCTION COMPANY, a corporation, well known to me to be such person and officer, and he upon oath duly administered stated that he had read the foregoing petition and that the facts therein set forth are true and correct to the best of his information and belief, and that he had executed such petition on behalf of said corporation as its free and voluntary act and deed, pursuant to due authorization.

J. C. Reed

Sworn to and subscribed before me this 4th day of March, 1949, to certify which witness my hand and seal of office.

Oliver Paula Watt  
Notary Public in and for  
Dallas County, Texas

My Commission Expires 6-1-49

