

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)

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BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 952
Order No. R-701

IN THE MATTER OF THE APPLICATION
OF SOUTHERN UNION GAS COMPANY
FOR AN ORDER GRANTING APPROVAL
OF AN EXCEPTION TO RULE 6 (a) OF
THE SPECIAL RULES AND REGULATIONS
OF ORDER R-565 FOR THE AZTEC-PICTURED
CLIFFS GAS POOL IN ESTABLISHMENT OF A
NON-STANDARD DRILLING AND GAS PRORATION
UNIT OF 193.75 CONTIGUOUS ACRES CONSISTING
OF THE E/2 E/2 OF FRACTIONAL SECTION 9
AND THE W/2 OF FRACTIONAL SECTION 10,
TOWNSHIP 28 NORTH, RANGE 10 WEST, NMPM,
SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a. m. on September 15, 1955, at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NCW, on this 13th day of October, 1955, the Commission, a quorum being present, having considered the record and the testimony adduced and being fully advised in the premises,

FINDS:

(1) That due notice of the time and place of hearing and the purpose thereof having been given as required by law, the Commission has jurisdiction of this case and the subject matter thereof.

(2) That pursuant to the provisions of Rule 6 (a) of the Special Rules and Regulations for the Aztec-Pictured Cliffs Gas Pool of Order No. R-565, the Commission has power and authority to permit the formation of a gas proration unit consisting of other than a legal quarter section after notice and hearing by the Commission.

(a) That applicant is the owner of an oil and gas lease in San Juan County, New Mexico, said lease being described as follows:

TOWNSHIP 28 NORTH, RANGE 10 WEST, NMPM
E/2 E/2 of Partial Section 9
W/2 of Partial Section 10

containing 193.75 acres more or less.

Order No. E-701

(b) That the above described acreage is within one mile of the horizontal limits of the Aztec-Pictured Cliffs Gas Pool.

(4) That the entire non-standard drilling and gas proration unit may reasonably be presumed to be productive of gas from the Pictured Cliffs formation.

(5) That the applicant, Southern Union Gas Company, has completed a gas well capable of producing gas from the Pictured Cliffs formation on the above designated lease known as its Zachry No. 11, located 990 feet from the South line and 990 feet from the West line of Section 10, Township 28 North, Range 10 West, NMPM, San Juan County, New Mexico.

(6) That the formation of the aforementioned drilling and proration unit in said fractional sections would be in the interests of conservation and orderly development and would protect correlative rights.

IT IS THEREFORE ORDERED:

1. That a drilling and proration unit in the Aztec-Pictured Cliffs Gas Pool, described as follows:

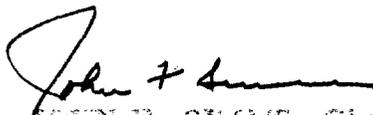
TOWNSHIP 28 NORTH, RANGE 10 WEST, NMPM
Section 9: E/2 E/2 of Partial Section
Section 10: W/2 of Partial Section

be and the same hereby is created.

2. That applicant's well, Zachry No. 11, located in the SW/4 of Section 10, Township 28 North, Range 10 West, NMPM, San Juan County, New Mexico, shall be granted an allowable in the proportion that the above described 193.75 acre unit bears to the standard or orthodox proration unit for said pool, all until further order of the Commission.

DONE at Santa Fe, New Mexico on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JOHN F. SIMMS, Chairman


E. S. WALKER, Member


W. B. MACEY, Member and Secretary

