

KINGWOOD OIL COMPANY

FIRST NATIONAL BUILDING
OKLAHOMA CITY 2, OKLAHOMA

February 16, 1959

Oil Conservation Commission
State of New Mexico
Mabry Hall
Santa Fe, New Mexico

Gentlemen:

Re: Case No. 1599, Application of El Paso Natural Gas
Company for 320-acre spacing, Angels Peak Dakota
Gas Pool, San Juan County, New Mexico

The caption application is set for hearing on February 18, 1959. Kingwood Oil Company has completed a producing gas well in Section 22, Township 28 North, Range 10 West; has interests in other lands in the area; and contemplates additional drilling therein.

Since Kingwood will be unable to have a representative present at the hearing, the purpose of this letter is to urge and recommend strongly to the Commission adoption of 320-acre spacing for the Angels Peak-Dakota Gas Pool, as requested by El Paso Natural Gas Company. We believe that any spacing on a pattern less than 320 acres would result only in physical and economic waste and would have an adverse effect upon the correlative rights of royalty and working interest owners in the area, as well as the State of New Mexico.

In view of the fine conservation record you have established in New Mexico, we sincerely hope that your findings in this case will be consistent with such record; however, should you order spacing upon a basis less than 320 acres, then we request and would recommend that such order restrict the horizontal limits of the Angels Peak-Dakota Gas Pool to its presently defined boundaries and that you eliminate entirely application of the state-wide one mile rule to this particular pool.

Very truly yours,

KINGWOOD OIL COMPANY


C. A. McKenzie, Attorney

CAM:bj

George Verity for Southern Union Gas company

We concur and adopt the position of El Paso Natural Gas Company in this case and urge the Commission to grant the application.