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12-2-60

November 15, 1960

Case 2143

Oil Conservation Commission
State of New Mexico
P. O. Box 671
Santa Fe, New Mexico

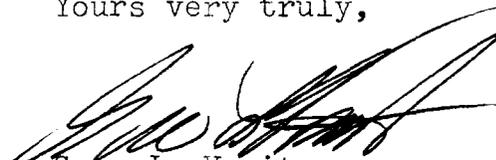
Gentlemen:

Re: My file #1154
Application of Southern Union
Gas Company

Enclosed herewith are the original and two copies of application of Southern Union Gas Company for a temporary order permitting the drilling of one well on 640 acres in the Basin-Dakota Gas Pool, in San Juan and Rio Arriba Counties, New Mexico, with the provision that such well be prorated on the basis of 640 acres, in accord with the formula provided for in Order No. R-1670-C, and for authority to transfer allowables during said temporary period.

We hereby request that this matter be set for hearing at the regular December, 1960 hearing.

Yours very truly,



Geo. L. Verity

GLV/m
encls as stated

Work to
Miles
12-5-60
[Signature]

APR 2 55

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN RE: APPLICATION OF SOUTHERN UNION)
GAS COMPANY FOR A TEMPORARY ORDER PER-)
MITTING THE DRILLING OF ONE WELL ON)
640 ACRES IN THE BASIN-DAKOTA GAS POOL,)
IN SAN JUAN AND RIO ARriba COUNTIES,)
NEW MEXICO, WITH THE PROVISION THAT)
SUCH WELL BE PRORATED ON THE BASIS OF)
640 ACRES, IN ACCORD WITH THE FORMULA)
PROVIDED FOR IN ORDER NO. R-1670-C,)
AND FOR AUTHORITY TO TRANSFER ALLOW-)
ABLES DURING SAID TEMPORARY PERIOD.)

CASE NO. 2143

A P P L I C A T I O N

Comes now the applicant, SOUTHERN UNION GAS COMPANY, and states:

1. That it is the owner of oil and gas leases in the Basin-Dakota Gas Pool in San Juan and Rio Arriba Counties, New Mexico, and that the producing interval in said pool as defined in Order R-1670-C extends over the entire limits of said pool and forms one common source of supply.

2. That one well drilled into the above described Basin-Dakota Gas Pool will adequately, efficiently and economically drain all gas and hydrocarbons from 640 acres. That, therefore, the Commission should enter a temporary order permitting all producers of gas owning two (2) contiguous 320-acre half-sections in the Basin-Dakota Gas Pool to drill one well thereon and attribute the 640 acres to the allowable for such well. That such temporary order should be made effective for a period of one (1) year so that further studies of the reservoir characteristics of such pool could be made and information regarding 640-acre drainage in such pool increased; and that at the end of such one-year period the matter should be set down for further hearing and given consideration as to whether or not such order should be made permanent.

3. That the temporary order called for in the preceding paragraph should further provide that producers in the above described Basin-Dakota Gas Pool should be permitted, during the one-year period for which such order shall extend, to transfer allowables from one well to another in order that interference tests can be made and more accurate and detailed information obtained regarding the reservoir characteristics of such field, and so that the Oil Conservation Commission, at the end of such one-year period, can be more fully informed of the ability of one well to drain 640 acres from such Basin-Dakota Gas Pool.

4. That all owners and operators in the Basin-Dakota Gas Pool are interested parties in the subject matter of this application.

5. That the granting of the order herein called for will protect the correlative rights of producers of gas from the above named Basin-Dakota Gas Pool, will prevent waste of gas and hydrocarbons, and will promote the orderly regulation and prorationing of said pool; that the refusal of the Commission to grant such order will interfere with the correlative rights of the applicant and other producers in the area, and create waste.

WHEREFORE, applicant prays that this application be set down for hearing; that due notice thereof be given in accord with the laws of the State of New Mexico and the rules and regulations of this Commission, and that from the evidence to be adduced at said hearing this Commission enter a temporary order as follows:

1. Granting the right to all producers of gas from the above described Basin-Dakota Gas Pool to drill one well on two (2) contiguous 320-acre half-sections in the Basin-Dakota Gas Pool and attribute the 640 acres to the allowable for such well;

2. Permitting the transfer of allowables from one well in said pool to another in order that proper interference tests can be made from said pool and further information obtained regarding

reservoir characteristics;

3. That said order extend for a period of one (1) year, at the end of which time the matter be again called for hearing and given consideration as to whether or not the Commission enters a permanent order permitting one 640-acre well for two (2) contiguous 320-acre units;

4. Making such further provisions, rules and regulations with regard to production of gas from the above referred to Basin-Dakota Gas Pool as will protect the correlative rights of the parties, prevent waste, and promote the orderly regulation and pro-rationing of said pool.

SOUTHERN UNION GAS COMPANY,

Applicant

By



(Geo. L. Verity)

152 Petroleum Center Bldg.
Farmington, New Mexico
ATTORNEY FOR APPLICANT